Unless stated otherwise, all abbreviations and defined terms contained in this Abridged Prospectus are defined in the "**Definitions**" section of this Abridged Prospectus.

No securities will be allotted or issued based on this Abridged Prospectus after 6 months from the date of this Abridged Prospectus.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY. All enquiries concerning the Rights Issue, which is the subject matter of this Abridged Prospectus, should be addressed to our Share Registrar, Workshire Share Registration Sdn. Bhd. at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Wilayah Persekutuan (KL), Malaysia (Tel: +603 - 6413 3271) ("**Share Registrar**").

This Abridged Prospectus, together with the NPA and RSF (collectively, the "**Documents**"), will be despatched only to our Entitled Shareholders whose names appear on our Record of Depositors as at 5.00 p.m. on 15 February 2024. The Documents are not intended to (and will not be made to) comply with the laws of any country or jurisdiction other than Malaysia and 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 either the Rights Issue or the Documents comply with the laws of any country or jurisdiction other than the laws of Malaysia. Entitled Shareholders and/ or their renouncee(s) and/ or their transferee(s) (if applicable) who are or who may be residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal adviser and/ or other professional advisers as to whether the acceptance or renunciation (as the case may be) of their entitlements to the Rights Issue, application for Excess Rights Shares with Warrants, or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue would result in the contravention of any laws of such countries or jurisdictions. We, TA Securities and/ or the advisers named herein shall not accept any responsibility or liability whatsoever to any party in the event that any acceptance and/ or renunciation (as the case may be) of entitlements, application for Excess Rights Shares with Warrants or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue made by any Entitled Shareholders and/ or their renouncee(s) and/ or their transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which Entitled Shareholders and/ or their renouncee(s) and/ or their transferee(s) (if applicable) are residents.

This Abridged Prospectus has been registered by the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Abridged Prospectus. The SC has not, in any way, considered the merits of this Rights Issue. A copy of the Documents has also been lodged with the Registrar of Companies who takes no responsibility for its contents.

Approval for the Rights Issue has been obtained from our shareholders at our EGM convened on 1 November 2022. Approval has been obtained from Bursa Securities via its letter dated 27 September 2022 for the admission of the Warrants to the Official List as well as the listing and quotation of the Rights Shares, Warrants and the new Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities. However, such admission, listing and quotation are not an indication that Bursa Securities recommends the Rights Issue and are not to be taken as an indication of the merits of the Rights Issue.

The SC is not liable for any non-disclosure on the part of our Company and takes no responsibility for the contents of this Abridged Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Abridged Prospectus.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" AS SET OUT IN SECTION 6 OF THIS ABRIDGED PROSPECTUS.

D'nonce TECHNOLOGY BHD
200001000687 / 503292-K

D'NONCE TECHNOLOGY BHD
[Registration No. 200001000687 (503292-K)]
(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 434,462,377 NEW ORDINARY SHARES IN D'NONCE TECHNOLOGY BHD ("DTB") ("DTB SHARE(S)" OR "SHARE(S)") ("RIGHTS SHARE(S)") ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 1 EXISTING SHARE HELD AS AT 5.00 P.M. ON 15 FEBRUARY 2024 AT AN ISSUE PRICE OF RM0.09 PER RIGHTS SHARE, TOGETHER WITH UP TO 434,462,377 FREE DETACHABLE WARRANTS ("WARRANT(S)") ON THE BASIS OF 1 WARRANT FOR EVERY 1 RIGHTS SHARE SUBSCRIBED FOR ("RIGHTS ISSUE")

Principal Adviser

TA SECURITIES
AN UNWAVERING COMMITMENT

TA SECURITIES HOLDINGS BERHAD
Registration No. 197301001467 (14948-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIMES

Entitlement Date	:	Thursday, 15 February 2024 at 5.00 p.m.
Last date and time for:		
Sale of Provisional Allotments	:	Thursday, 22 February 2024 at 5.00 p.m.
Transfer of Provisional Allotments	:	Monday, 26 February 2024 at 4.30 p.m.
Acceptance and payment	:	Friday, 1 March 2024 at 5.00 p.m.
Excess Rights Shares with Warrants Application and payment	:	Friday, 1 March 2024 at 5.00 p.m.

This Abridged Prospectus is dated 15 February 2024

UNLESS STATED OTHERWISE, ALL ABBREVIATIONS AND DEFINED TERMS CONTAINED IN THIS ABRIDGED PROSPECTUS ARE DEFINED IN THE "DEFINITIONS" SECTION OF THIS ABRIDGED PROSPECTUS.

RESPONSIBILITY STATEMENTS

THE DIRECTORS OF OUR COMPANY HAVE SEEN AND APPROVED ALL THE DOCUMENTATION RELATING TO THE RIGHTS ISSUE. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THERE IS NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS WHICH, IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS ABRIDGED PROSPECTUS FALSE OR MISLEADING.

TA SECURITIES, BEING THE PRINCIPAL ADVISER FOR THE RIGHTS ISSUE, ACKNOWLEDGES THAT BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS ABRIDGED PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE RIGHTS ISSUE.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.

OTHER STATEMENTS

INVESTORS SHOULD NOTE THAT THEY MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT 2007 ("CMSA") FOR BREACHES OF SECURITIES LAWS INCLUDING ANY STATEMENT IN THE ABRIDGED PROSPECTUS THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THE ABRIDGED PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO OUR COMPANY.

SECURITIES ARE OFFERED TO THE PUBLIC ON THE PREMISE OF FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE, FOR WHICH ANY PERSON SET OUT IN SECTION 236 OF THE CMSA, IS RESPONSIBLE.

THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.

THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus:

5D-VWAP	:	5-day volume weighted average market price
6M-FPE	:	6-month financial period ended
11M-FPE	:	11-month financial period ended
Abridged Prospectus	:	This abridged prospectus dated 15 February 2024 in relation to the Rights Issue
Acquisition	:	Acquisition of 99.9991% equity interest in KTCL comprising 333,997 ordinary shares in KTCL for a purchase consideration of RM9,100,000 satisfied entirely via issuance of the Consideration Shares. The Acquisition was completed on 29 December 2022.
Act	:	Companies Act 2016 of Malaysia
Additional Undertaking(s)	:	Unconditional and irrevocable written undertaking by the Undertaking Shareholder to subscribe for 72,122,223 excess Rights Shares (based on the issue price of RM0.09 per Rights Share), if required, under the Rights Issue for a total subscription amount of RM6.49 million
ASB	:	AT Systematization Berhad (Registration No. 200401006297 (644800-X)), a company listed on the ACE Market of Bursa Securities
AVKL	:	Attractive Venture (KL) Sdn Bhd (Registration No. 199801014536 (470665-K)), our Company's wholly-owned subsidiary
AVSB	:	Attractive Venture Sdn Bhd (Registration No. 199101012630 (222942-P)), our Company's wholly-owned subsidiary
Bloomberg	:	Bloomberg Finance Singapore L.P. and its affiliates
Board	:	Board of Directors of DTB
Bursa Depository	:	Bursa Malaysia Depository Sdn. Bhd. (Registration No. 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
CAGR	:	Compound annual growth rate
CDS	:	Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
CDS Account	:	Securities account established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits of securities and dealings in such securities by the depositor
Closing Date	:	1 March 2024 at 5.00 p.m., being the last date and time for the acceptance of and payment for the Provisional Allotments and application for Excess Rights Shares with Warrants
CMSA	:	Capital Markets and Services Act 2007 of Malaysia

DEFINITIONS (CONT'D)

Code on Take-Overs	:	Malaysian Code on Take-Overs and Mergers 2016
Consideration Shares	:	58,709,677 new DTB Shares issued at an issue price of RM0.155 each pursuant to the Acquisition
Corporate Exercises	:	Acquisition, Diversification, Rights Issue, ESOS Termination and New SIS, collectively
COVID-19	:	Coronavirus disease 2019, an infectious disease which affects the respiratory system
Deed Poll	:	The deed poll dated 29 January 2024 constituting the Warrants and governing the rights of the Warrants
Director(s)	:	A natural person who holds a directorship in our Company for the time being, whether in an executive or non-executive capacity, falling within the meaning given in Section 2(1) of the CMSA and Section 2(1) of the Act
Diversification	:	Diversification of the principal activities of our Group to include Labelling Business
Documents	:	The Abridged Prospectus, NPA and RSF, collectively
DTB or Company	:	D'nonce Technology Bhd (Registration No. 200001000687 (503292-K))
DTB Group or Group	:	DTB and our subsidiaries, collectively
DTB Share(s) or Share(s)	:	Ordinary share(s) in DTB
E&E	:	Electrical and electronics
e-RSF	:	Electronic RSF
e-Subscription	:	Electronic subscription of the Rights Shares with Warrants via the Share Registrar's Investor Portal at https://www.wscs.com.my/
EGM	:	Extraordinary general meeting of our Company held on 1 November 2022
Entitled Shareholders	:	The shareholders of our Company whose names appear in the Record of Depositors on the Entitlement Date
Entitlement Date	:	15 February 2024 at 5.00 p.m., being the date and time on which the names of shareholders must appear in the Record of Depositors in order to be entitled to the Rights Issue
Entitlement Undertaking(s)	:	Unconditional and irrevocable written undertaking by the Undertaking Shareholder to subscribe in full for his entitlement of 100,000 Rights Shares
EPS/ LPS	:	Earnings/ losses per Share
ESOS Termination	:	Termination of the previous employees' share option scheme of DTB of up to 15% of the total issued and paid-up share capital of our Company for the eligible directors and employees of our Group effective 1 November 2022

Excess Rights Shares with Warrants	:	Rights Shares with Warrants which are not taken up or not validly taken up by the Entitled Shareholders and/ or their renouncee(s) and/ or their transferee(s) (if applicable) by the Closing Date
Excess Rights Shares with Warrants Application	:	Application for additional Rights Shares with Warrants in excess of the Provisional Allotments by the Entitled Shareholders and/ or their renouncee(s) and/ or their transferee(s) (if applicable)
Exercise Period	:	Any time within a period of 5 years commencing from and including the date of issue of Warrants to the close of business at 5.00 p.m. (Malaysia time) on which the Market Day immediately preceding the date which is the 5th anniversary from the date of issue of the Warrants. Any Warrant not exercised at the expiry of the Exercise Period will thereafter lapse and cease to be valid for any purpose
Exercise Price	:	RM0.09, being the price at which 1 Warrant is exercisable into 1 new Share, subject to adjustments in accordance with the provisions of the Deed Poll during the Exercise Period
FPE	:	Financial period ended
FYE	:	Financial year ended/ ending, as the case may be
GLLSB	:	General Labels & Labelling (M) Sdn Bhd (Registration No. 198201013476 (93225-V)), a wholly-owned subsidiary of Komarkcorp
IMR or Infobusiness	:	Infobusiness Research & Consulting Sdn Bhd (Registration No. 199901024026 (498926-P)), the Independent Market Researcher
IMR Report(s)	:	Independent market research report(s) prepared by Infobusiness on the overview of the E&E industry, overview of the precision cleaning services industry, overview of the rubber gloves industry, overview of the thermoformed plastics packaging industry, overview of the plastic injection moulding industry, overview of the paper and paperboard packaging industry as well as overview of the self-adhesive label industry, dated 19 January 2024
ISCM Thailand	:	ISCM Technology (Thailand) Co., Ltd. (Registration No. 0135547007284), our Company's wholly-owned subsidiary
Komarkcorp	:	Komarkcorp Berhad (Registration No. 199601001919 (374265-A)), a company listed on the Main Market of Bursa Securities
KTCL	:	Komark (Thailand) Company Limited (Registration No. 0105538076848)
Labelling Business	:	Manufacturing and selling of self-adhesive labels
LAT	:	Loss after taxation
LBT	:	Loss before taxation
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	19 January 2024, being the latest practicable date prior to the printing of this Abridged Prospectus
LTD	:	26 January 2024, being the last trading date prior to the date of fixing the issue price of the Rights Shares and Exercise Price
Management	:	Management of DTB

DEFINITIONS (CONT'D)

Market Day	:	Any day between Monday to Friday (inclusive of both days) (excluding Saturday, Sunday and public holiday) and a day on which Bursa Securities is open for trading in securities
Maximum Scenario	:	Comprising 434,462,377 Rights Shares and 434,462,377 Warrants. Based on 434,462,377 issued Shares as at the LPD and assuming all Entitled Shareholders and/ or their renouncee(s) fully subscribe for their entitlements of the Rights Shares
MCO(s)	:	Movement control order(s) which includes but is not limited to the conditional movement control order, recovery movement control order, full control movement order issued under the Prevention and Control Infectious Diseases Act 1988 and the Police Act 1967.
Minimum Scenario or Minimum Subscription Level	:	Comprising 72,222,223 Rights Shares and 72,222,223 Warrants. Based on 434,462,377 issued Shares as at the LPD and assuming: (i) the Undertaking Shareholder subscribes in full to his entitlement and if required, additional Rights Shares, pursuant to his Undertaking; and (ii) no other shareholder subscribes for the Rights Shares.
NA	:	Net assets
New SIS or Scheme	:	Establishment of a new share issuance scheme of up to 15% of the total number of issued Shares (excluding treasury shares, if any) at any point in time during the duration of the scheme for the eligible employee(s), director(s) and non-executive director(s) of our Group (excluding dormant subsidiaries)
NPA	:	Notice of provisional allotment in relation to the Rights Issue
Official List	:	A list specifying all securities listed on the Main Market of Bursa Securities
PAT	:	Profit after taxation
PBT	:	Profit before taxation
Provisional Allotments	:	The Rights Shares with Warrants provisionally allotted to the Entitled Shareholders
Record of Depositors	:	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
Rights Issue	:	Renounceable rights issue of up to 434,462,377 Rights Shares on the basis of 1 Rights Share for every 1 existing Share held on the Entitlement Date, together with up to 434,462,377 Warrants on the basis of 1 Warrant for every 1 Rights Share subscribed for
Rights Shares	:	Up to 434,462,377 new DTB Shares to be issued pursuant to the Rights Issue
RM and sen	:	Ringgit Malaysia and sen respectively, being the lawful currency of Malaysia

DEFINITIONS (CONT'D)

RSF	:	Rights subscription form in relation to the Rights Issue
Rules of Bursa Depository	:	Rules of Bursa Depository as issued pursuant to SICDA
Rules on Take-Overs	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the SC
SC	:	Securities Commission Malaysia
Share Registrar	:	Workshire Share Registration Sdn. Bhd. (Registration No. 202101030155 (1430455-D))
Shareholders	:	Shareholders of our Company
SICDA	:	Securities Industry (Central Depositories) Act, 1991 of Malaysia
Subject Land	:	A parcel of freehold land measuring 6,774 square metres held under title identified as Lot No. 10320, GM No. 1496 *(formerly PT 471, HSM 1598)*, Mukim 10, Seberang Perai Tengah, Pulau Pinang
sq ft	:	Square feet
TA Securities or Principal Adviser	:	TA Securities Holdings Berhad
TEAP	:	Theoretical ex-all price
THB	:	Thailand Baht, being the lawful currency of Thailand
Undertaking	:	Entitlement Undertaking and Additional Undertaking, collectively totalling RM6,500,000
Undertaking Shareholder	:	Low Chee Min, our Company's Chief Operating Officer
VWAP	:	Volume weighted average market price
Warrants	:	Up to 434,462,377 Warrants to be allotted and issued pursuant to the Rights Issue

In this Abridged Prospectus, all references to "**our Company**" are to DTB and references to "**our Group**" are to DTB and our subsidiaries. All references to "**we**", "**us**", "**our**" and "**ourselves**" are to DTB and where the context otherwise requires, the subsidiaries of our Company.

All references to "**you**" in this Abridged Prospectus are references to Entitled Shareholders and/ or, where the context requires otherwise, their renouncee(s) and/ or transferee(s).

Words denoting the singular shall, where applicable, include the plural and *vice versa*. Words denoting the masculine gender shall, where applicable, include the feminine and/ or neuter genders and *vice versa*. References to persons shall include corporations, unless otherwise specified.

DEFINITIONS (CONT'D)

Any reference in this Abridged Prospectus to any provision of a statute, rule, regulation, enactment, or rule of a stock exchange shall (where the context admits) be construed as a reference to the provision of such statute, rule, regulation, enactment or rule of a stock exchange (as the case may be) as modified by any written law, or, if applicable, any amendment of re-enactment to the statute, rule, regulation, enactment or rule of a stock exchange for the time being in force. Any reference to a time of day in this Abridged Prospectus is a reference to Malaysian time, unless otherwise specified.

Unless stated otherwise, the exchange rate of THB100: RM13.2701, being Bank Negara Malaysia's middle rate as at 5.00 p.m. on the LPD, is used throughout this Abridged Prospectus.

Any discrepancies in the figures included in this Abridged Prospectus between the amount stated, actual figures and the totals thereof are due to rounding.

Certain statements in this Abridged Prospectus may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Abridged Prospectus should not be regarded as a representation or warranty that our Company's plans and objectives will be achieved.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

TABLE OF CONTENTS

TABLE OF CONTENTS (CONT'D)

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

ADVISERS' DIRECTORY

PRINCIPAL ADVISER	:	TA Securities Holdings Berhad 29th Floor, Menara TA One 22, Jalan P. Ramlee 50250 Kuala Lumpur Wilayah Persekutuan (KL) Tel : +603 - 2072 1277
SOLICITORS	:	Wong Beh & Toh Level 19, West Block Wisma Golden Eagle Realty No. 142-C Jalan Ampang 50450 Kuala Lumpur Wilayah Persekutuan (KL) Tel : +603 - 2713 6050
COMPANY SECRETARIES	:	Wong Yuet Chyn (MAICSA 7047163) (SSM PC No. 202008002451) Adeline Tang Koon Ling (LS0009611) (SSM PC No. 202008002271) 1-10, Medan Perniagaan Pauh Jaya Jalan Baru 13700 Perai Pulau Pinang Tel : +604 - 390 8009
SHARE REGISTRAR	:	Workshire Share Registration Sdn. Bhd. A3-3-8, Solaris Dutamas No. 1, Jalan Dutamas 1 50480 Kuala Lumpur Wilayah Persekutuan (KL) Tel : +603 - 6413 3271 Fax : +603 - 6413 3270
AUDITORS AND REPORTING ACCOUNTANTS	:	Grant Thornton Malaysia PLT Level 5, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Penang Tel : +604 - 228 7828

ADVISERS' DIRECTORY (CONT'D)

INDEPENDENT MARKET RESEARCHER	:	Infobusiness Research & Consulting Sdn Bhd C4-3A-2, Solaris Dutamas No. 1, Jalan Dutamas 1 50480 Kuala Lumpur Wilayah Persekutuan (KL) Tel : +603 - 6205 3930 Person-in-charge : Kenneth Fong Kin Hon (Director) Educational qualification : Master of E-Commerce from Curtin University of Technology and Bachelor of Commerce (majoring in Accounting and Finance) from University of Western Australia
STOCK EXCHANGE	:	Main Market of Bursa Securities

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

SUMMARY OF THE RIGHTS ISSUE

THIS SUMMARY OF THE RIGHTS ISSUE ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS ABRIDGED PROSPECTUS. IT DOES NOT CONTAIN ALL THE INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE WHOLE ABRIDGED PROSPECTUS.

Key information	Summary
(i) Number of Rights Shares with Warrants to be issued and basis of allotment	Basis: 1 Rights Share for every 1 existing Share held by the Entitled Shareholders on the Entitlement Date, together with 1 Warrant for every 1 Rights Share subscribed for. Please refer to **Sections 2.1 and 8.1** of this Abridged Prospectus for further information.

	Minimum Scenario	Maximum Scenario
Number of Rights Shares to be issued	72,222,223	434,462,377
Number of Warrants attached	72,222,223	434,462,377

The Rights Shares with Warrants which are not taken up or not validly taken up by the Entitled Shareholders and/ or their renouncee(s) and/ or their transferee(s) (if applicable) prior to the Closing Date shall be made available for Excess Rights Shares with Warrants Applications. It is the intention of our Board to allot the Excess Rights Shares with Warrants, if any, in a fair and equitable manner. Please refer to **Section 10.8** of this Abridged Prospectus for further information.

Key information	Summary
(ii) Pricing	Issue price of the Rights Shares : RM0.09 per Rights Share. Exercise Price for the Warrants : RM0.09 per Warrant (payable for every 1 new Share) Please refer to **Section 2.2** of this Abridged Prospectus for further information.
(iii) Undertaking	Undertaking Shareholder and amount : Low Chee Min (Chief Operating Officer of DTB): RM6,500,000 Minimum Rights Shares to be subscribed for pursuant to the Undertaking : Up to 72,222,223 Rights Shares

Shareholder	Direct shareholding as at the LPD		After the Rights Issue (under the Minimum Scenario)	
	No. of Shares	%	No. of Shares	%
Low Chee Min	100,000	0.02	72,322,223	14.27

For avoidance of doubt, the Undertaking Shareholder is not obliged to subscribe for the excess Rights Shares pursuant to the Undertaking if the Minimum Subscription Level has been achieved via subscription by all other Entitled Shareholders and/ or their renouncee(s). However, while the Undertaking Shareholder is not obliged to subscribe for the excess Rights Shares in such event, the Undertaking Shareholder may still choose to do so at his own discretion. At this juncture, the Undertaking Shareholder has not decided on whether he will subscribe for the excess Rights Shares in the event the Minimum Subscription Level has been achieved. Please refer to **Section 3** of this Abridged Prospectus for further information.

(iv) Utilisation of proceeds

Details of the utilisation	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)	Expected time frame for the utilisation of proceeds (from the date of listing of the Rights Shares)
Construction of a new warehouse and additional production area	-	2,000	Within 24 months
Capital expenditure for purchase of machinery and equipment and installation of enterprise resource planning system	-	4,200	Within 24 months
Repayment of bank borrowings	3,000	16,000	Within 12 months
Working capital	1,950	7,352	Within 24 months
Construction of new factory building in Thailand	-	8,000	Within 24 months
Estimated expenses in relation to the Corporate Exercises	1,550	1,550	Within 1 month
Total	**6,500**	**39,102**	

Please refer to **Section 5** of this Abridged Prospectus for further information.

SUMMARY OF THE RIGHTS ISSUE (CONT'D)

<table>
<tr><th>Key information</th><th>Summary</th></tr>
<tr><td>(v) Risk factors</td><td>You should consider the following risk factors before subscribing for or investing in the Rights Issue:

(i) our Group offers a wide range of services encompassing end-to-end packaging and design solutions (including the Labelling Business), precision polymer engineering services, cleanroom and contract manufacturing services as well as supply chain management and sales and distribution of products. We support customers mainly in the electrical and electronics industry as well as healthcare industries. The geographical markets of our customers are mainly in Thailand and Malaysia. Hence, we are subject to risks in such manufacturing industries. Our Group's overall revenue and profits have been mainly affected by lower sales volume to our customers operating in the industries as mentioned above. Our Group's overall revenue decreased from RM184.25 million for the FYE 30 April 2021 to RM174.86 million for the FYE 31 March 2023 while our Group's PBT decreased from RM15.37 million for the FYE 30 April 2021 to RM0.84 million for the FYE 31 March 2023 mainly due to, amongst others, lower revenue/ sales volume, rising cost of raw materials and less favourable product mix.

Among the common risks that we face include business and operations risk (including those inherent in the manufacturing industry such as risks involving labour supply and fluctuations in labour costs as well as changes in the legal and environmental framework), economic, political and regulatory risk, competition risk, foreign exchange risks, fluctuations in raw materials prices, risks associated with machineries and financing risks;

(ii) our Group had on 1 November 2022 obtained our Shareholders' approval for the Diversification. While we view our Group's Labelling Business to be an extension of the entire end-to-end packaging and design solutions provided by our Group, the Diversification nonetheless exposed our Group to risks inherent to the label industry, which we were not exposed to in the past; and

(iii) risks relating to the Rights Issue, including failure or delay in the completion of the Rights Issue, capital market risk and forward-looking statements as well as other information contained in this Abridged Prospectus.

Please refer to Section 6 of this Abridged Prospectus for further information.</td></tr>
<tr><td>(vi) Procedures for acceptance and payment</td><td>Acceptance of and payment for the Provisional Allotments allotted to you and application for the Excess Rights Shares with Warrants must be made on the RSF issued together with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained therein or by way of e-Subscription via the Share Registrar's Investor Portal. The last day, date and time for acceptance of and payment for the Provisional Allotments and the Excess Rights Shares with Warrants is on Friday, 1 March 2024 at 5.00 p.m. Please refer to Section 10 of this Abridged Prospectus for further information.</td></tr>
</table>

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

D'nonce Technology Bhd
[Registration No. 200001000687 (503292-K)]
(Incorporated in Malaysia)

Registered Office:
1-10, Medan Perniagaan Pauh Jaya
Jalan Baru
13700 Perai
Pulau Pinang

15 February 2024

Board of Directors

Dato' Moktar Bin Mohd Noor *(Independent Non-Executive Chairman)*
Datuk Sham Shamrat Sen Gupta *(Independent Non-Executive Director)*
Kang Teik Yih *(Independent Non-Executive Director)*
Ong Poh Lin Abdullah *(Independent Non-Executive Director)*

To: Entitled Shareholders

Dear Sir/ Madam,

RIGHTS ISSUE OF UP TO 434,462,377 RIGHTS SHARES ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 1 EXISTING SHARE HELD AS AT 5.00 P.M. ON 15 FEBRUARY 2024 AT AN ISSUE PRICE OF RM0.09 PER RIGHTS SHARE, TOGETHER WITH UP TO 434,462,377 FREE DETACHABLE WARRANTS ON THE BASIS OF 1 WARRANT FOR EVERY 1 RIGHTS SHARE SUBSCRIBED FOR

---

1 INTRODUCTION

On 11 August 2022, TA Securities had, on behalf of our Board announced that our Company proposes to undertake the Corporate Exercises.

On 27 September 2022, TA Securities had, on behalf of our Board announced that Bursa Securities had, vide its letter dated 27 September 2022, resolved to approve the following:

(i) listing and quotation of 58,709,677 Consideration Shares issued pursuant to the Acquisition;

(ii) admission to the Official List and listing and quotation of up to 434,690,877* Warrants to be issued pursuant to the Rights Issue;

(iii) listing and quotation of up to 434,690,877* Rights Shares to be issued pursuant to the Rights Issue;

(iv) listing and quotation of up to 434,690,877* new DTB Shares arising from the exercise of the Warrants; and

(v) listing of such number of additional new DTB Shares, representing up to 15% of the total number of issued shares of DTB (excluding treasury shares, if any) at any point in time during the duration of the Scheme to be issued pursuant to the New SIS,

on the Main Market of Bursa Securities.

Note:

* *As disclosed in our Company's circular to shareholders dated 17 October 2022, such number of Rights Shares, Warrants and new DTB Shares to be issued were premised on the assumption that the 228,500 employees' share options scheme (ESOS) options from the previous scheme would be exercised prior to the ESOS Termination and after the issuance of the Consideration Shares.*

The approval of Bursa Securities is subject to the following conditions:

No.	Conditions	Status of compliance
(i)	Our Company and TA Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Acquisition, Rights Issue and New SIS;	Complied in respect of the Acquisition. To be complied in respect of the Rights Issue and New SIS.
(ii)	Our Company and TA Securities to inform Bursa Securities upon the completion of the Acquisition and Rights Issue;	Complied in respect of the Acquisition. To be complied in respect of the Rights Issue.
(iii)	Our Company/ TA Securities is required to furnish Bursa Securities with a certified true copy of the resolutions passed by shareholders at the EGM for the Corporate Exercises prior to the listing and quotation of the new Shares to be issued pursuant to the Corporate Exercises;	Complied
(iv)	TA Securities is required to submit a confirmation to Bursa Securities of full compliance of the New SIS pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation together with a certified true copy of the resolution passed by the shareholders in general meeting approving the New SIS;	To be complied
(v)	Our Company is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the issuance of new shares under the New SIS and exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payables; and	To be complied
(vi)	Our Company and TA Securities are required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the respective Corporate Exercise is completed.	Complied in respect of the Acquisition. To be complied in respect of the Rights Issue and New SIS.

On 1 November 2022, our Shareholders had approved, amongst others, the Rights Issue at our EGM.

On 29 December 2022, TA Securities had, on behalf of our Board, announced that the Acquisition has been completed.

On 16 March 2023, TA Securities had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 16 March 2023, resolved to grant our Company an extension of time until 25 September 2023 to complete the implementation of the Rights Issue and New SIS.

On 12 September 2023, TA Securities had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 11 September 2023, resolved to grant our Company an extension of time until 24 March 2024 to complete the implementation of the Rights Issue and New SIS.

On 29 January 2024, TA Securities had, on behalf of our Board, announced the following:

(i) fixing of the issue price of the Rights Shares at RM0.09 per Rights Share;
(ii) fixing of the Exercise Price of Warrants at RM0.09 per Warrant; and
(iii) the Entitlement Date and other relevant dates pertaining to the Rights Issue as well as the execution of Deed Poll by our Company.

No person is authorised to give any information or make any representation not contained in this Abridged Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by TA Securities or our Company in connection with the Rights Issue.

YOU ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS WHICH SETS OUT THE DETAILS OF THE RIGHTS ISSUE AND RISK FACTORS ASSOCIATED WITH THE RIGHTS ISSUE. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2 DETAILS OF THE RIGHTS ISSUE

2.1 Basis and number of Rights Shares and Warrants to be issued

As at the LPD, our Company has an issued share capital of RM117,910,820 comprising 434,462,377 Shares. Our Company does not have any treasury shares as at the LPD.

The Rights Issue entails the issuance of up to 434,462,377 Rights Shares together with up to 434,462,377 Warrants (assuming all Entitled Shareholders fully subscribe to their entitlements of the Rights Shares). The Rights Issue is to be implemented on a renounceable basis of 434,462,377 Rights Shares for every 1 existing DTB Share held by the Entitled Shareholders, together with 434,462,377 Warrants for every 1 Rights Share subscribed for, at an issue price of RM0.09 per Rights Share.

The basis of 1 Rights Share for every 1 existing DTB Share together with 1 Warrant for every 1 Rights Share was arrived at after taking into consideration, among others, the following:

(i) the amount of proceeds to be raised from the subscription of the Rights Shares which is to be utilised for the purposes set out in **Section 5** of this Abridged Prospectus; and

(ii) the number of new DTB Shares arising from the exercise or conversion of all outstanding convertible equity securities* must not exceed 50% of our Company's total number of issued Shares (excluding treasury shares and before the exercise of convertible equity securities*) at all times, in compliance with Paragraph 6.50 of the Listing Requirements.

Note:

* *"convertible equity securities" shall mean warrants and convertible preference shares, as defined in Paragraph 6.49(2) of the Listing Requirements.*

As at the LPD, our Company does not have any convertible equity securities.

The actual number of Rights Shares and Warrants to be issued will depend on the total number of issued Shares held by the Entitled Shareholders on the Entitlement Date, after taking into consideration of the eventual subscription level for the Rights Issue.

The Warrants are attached to the Rights Shares without any cost and will be issued only to the Entitled Shareholders and/ or their renouncee(s) who successfully subscribe for the Rights Shares. Each Warrant will entitle its holder to subscribe for 1 new Share at the Exercise Price. The Warrants will be immediately detached from the Rights Shares upon issuance and will be traded separately. The Warrants will be issued in registered form and constituted by the provisions of the Deed Poll. The salient terms of the Warrants are set out in **Section 2.5** of this Abridged Prospectus.

The entitlements for the Rights Shares together with Warrants are renounceable in full or in part. Accordingly, the Entitled Shareholders may fully or partially renounce their entitlements under the Rights Issue.

However, the Rights Shares and Warrants cannot be renounced separately and only the Entitled Shareholders who successfully subscribe for the Rights Shares will be entitled to the Warrants. As such, the Entitled Shareholders who renounce all of their Rights Shares entitlements will not be entitled to the Warrants. If the Entitled Shareholders accept only part of their Rights Share entitlements, they shall be entitled to the Warrants in proportion to their acceptance of their Rights Share entitlements.

Any Rights Shares which are not validly taken up shall be offered to other Entitled Shareholders and/ or their renouncee(s) under excess shares application and to such other persons as our Board shall determine. It is the intention of our Board to reduce the incidence of odd lots and to allocate excess Rights Shares in a fair and equitable manner.

Fractional entitlements arising from the Rights Issue, if any, will be disregarded and/ or dealt with by our Board in such manner and on such terms and conditions as our Board in its absolute discretion may deem fit or expedient and in the best interest of our Company.

As the Rights Shares and Warrants are prescribed securities, the respective CDS Accounts of the Entitled Shareholders will be duly credited with the number of Provisional Allotments they are entitled to subscribe for in full or in part under the terms of the Rights Issue. Entitled Shareholders will find the NPA as enclosed in this Abridged Prospectus, notifying Entitled Shareholders of the crediting of such securities into their respective CDS Accounts, and the RSF as enclosed in this Abridged Prospectus, enabling Entitled Shareholders to subscribe for the Provisional Allotments as well as to apply for Excess Rights Shares with Warrants if Entitled Shareholders so choose to.

However, only Entitled Shareholders who have an address in Malaysia as stated in the Record of Depositors or who have provided the Share Registrar with an address in Malaysia in writing by the Entitlement Date will receive this Abridged Prospectus together with the NPA and RSF.

Any dealings in our Company’s securities will be subject to, amongst others, the provisions of the SICDA, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares, Warrants and new Shares to be issued arising from the exercise of Warrants will be credited directly into the respective CDS Accounts of successful applicants and Warrant holders who exercise their Warrants (as the case may be). No physical certificates will be issued to the successful applicants of the Rights Shares with Warrants, nor will any physical share certificates be issued for the new Shares to be issued arising from the exercise of the Warrants.

Notices of allotment will be despatched to the successful applicants of the Rights Shares with Warrants within 8 Market Days from the last date for acceptance and payment of the Rights Shares with Warrants or such other period as may be prescribed by Bursa Securities.

The Warrants will be admitted to the Official List and the listing and quotation of Warrants on the Main Market of Bursa Securities will commence 2 Market Days upon the receipt by Bursa Securities of an application for quotation for these securities as specified under the Listing Requirements, which will include amongst others, confirmation that all notices of allotment have been despatched to the successful applications, and after receipt of confirmation from Bursa Depository that all CDS Accounts of successful applicants have been duly credited with Rights Shares and Warrants.

Pursuant to Paragraph 6.51 of the Listing Requirements, the listing and quotation of Warrants on the Main Market of Bursa Securities is subject to a minimum of 100 Warrants holders holding not less than 1 board lot of Warrants.

The Rights Issue will be undertaken on the Minimum Subscription Level of RM6,500,000 which shall be satisfied via the irrevocable and unconditional Undertaking from the Undertaking Shareholder. Further details are set out in **Section 3** of this Abridged Prospectus.

2.2 Basis and justification of determining the issue price of the Rights Shares and the Exercise Price

(i) Issue price of the Rights Shares

Our Board had fixed the issue price of the Rights Shares at RM0.09 per Rights Share, after taking into consideration the following:

(a) the funding requirements of our Group as set out in **Section 5** of this Abridged Prospectus;

(b) the TEAP of DTB Shares based on the 5D-VWAP of DTB Shares up to and including the LTD of RM0.1104 per Share; and

(c) the rationale for the Rights Issue as set out in **Section 4** of this Abridged Prospectus.

The issue price of RM0.09 per Rights Share represents a discount of approximately RM0.0204 or 18.48% to the TEAP of DTB Shares of RM0.1104, calculated based on the 5D-VWAP of DTB Shares up to and including the LTD of RM0.1511 per Share.

(ii) Exercise Price

Our Board had fixed the Exercise Price at RM0.09 per Warrant (payable for every 1 new Share), after taking into consideration, amongst others, the following:

(a) the Warrants will be issued at no cost to the Entitled Shareholders and/ or their renouncee(s) who successfully subscribe for the Rights Shares; and

(b) the TEAP of DTB Shares based on the 5D-VWAP of DTB Shares up to and including the LTD of RM0.1104 per Share.

The Exercise Price of RM0.09 per Warrant represents a discount of approximately RM0.0204 or 18.48% to the TEAP of DTB Shares of RM0.1104, calculated based on the 5D-VWAP of DTB Shares up to and including the LTD (i.e., 26 January 2024) of RM0.1511 per Share.

The discount is in line with our Board's intention to fix the exercise price of the Warrants at a discount of not more than 20% to the TEAP of the Shares. This was determined by our Board after taking into consideration the future prospects of our Group (as set out in **Section 7.10** of this Abridged Prospectus) and the need to fix an exercise price which makes the Warrants attractive for the purpose of enhancing the subscription level of the Rights Issue.

For information purposes only, the Exercise Price represents a discount to the TEAP of DTB Shares calculated based on the 1-month, 3-month, 6-month and 12-month VWAP of DTB Shares up to and including the LTD as follows:

VWAP of DTB Shares		TEAP	Discount over TEAP	
Up to the LTD	RM	RM	RM	%
1-month	0.1697	0.1166	0.0266	22.81
3-month	0.1668	0.1156	0.0256	22.15
6-month	0.1652	0.1151	0.0251	21.81
12-month	0.1594	0.1131	0.0231	20.42

The Warrants may be exercised at any time within a period of 5 years commencing on and including the date of issuance of the Warrants. Our Board is of the opinion that the discount of the exercise price to the TEAP is reasonable, and would also incentivise Warrant holders to have a longer investment horizon i.e., to make their investment decisions based on the long-term prospects of our Group rather than short-term market fluctuations.

2.3 Ranking of the Rights Shares and new Shares to be issued arising from the exercise of the Warrants

(i) Rights Shares

The Rights Shares shall, upon allotment, issuance and full payment of the issue price of the Rights Shares, rank equally in all respects with the then existing DTB Shares. However, such Rights Shares will not be entitled to any dividends, rights, allotments and/ or any other distributions which may be declared, made or paid to our Company's shareholders unless such Rights Shares were allotted and issued on or before the entitlement date of such dividends, rights, allotments and/ or other distributions.

(ii) New Shares to be issued arising from the exercise of the Warrants

The holders of the Warrants will not be entitled to any voting rights or participation in any form of dividends, distributions and/ or offer of securities in DTB until and unless such holders of the Warrants exercise their Warrants into new DTB Shares.

The new Shares to be issued arising from the exercise of the Warrants shall, upon allotment, issuance and full payment of the exercise price of the Warrants, rank equally in all respects with the then existing DTB Shares. However, such new Shares will not be entitled to any dividends, rights, allotments and/ or any other distributions which may be declared, made or paid to our Company's shareholders unless such new Shares were allotted and issued on or before the entitlement date of such rights, allotments and/ or other distributions.

2.4 Last date and time for acceptance and payment

The Closing Date is **5.00p.m. on Friday, 1 March 2024**.

2.5 Salient terms of the Warrants

Terms		Details
Issue size	:	Up to 434,462,377 Warrants
Form and constitution	:	The Warrants will be issued in registered form and constituted by the Deed Poll.
Tenure	:	5 years commencing from and including of the date of issuance of the Warrants ("**Issue Date**")
Expiry date	:	A date which falls on the day immediately before the fifth (5^{th}) anniversary of the Issue Date and if such day falls on a day which is not a Market Day, then it shall be the Market Day immediately preceding the said non-Market Day ("**Expiry Date**").
Exercise Price	:	RM0.09 per Warrant
Exercise Period	:	The period commencing on and including the Issue Date and ending at 5.00 p.m. on the Expiry Date. Any Warrant not exercised at the expiry of the Exercise Period (as defined herein) will thereafter lapse and cease to be valid for any purpose.
Mode of exercise	:	A Warrant holder is required to lodge an exercise form with our Company's share registrar which is duly completed, signed and stamped together with payment by way of banker's draft or cashier's order or money order or postal order drawn on a bank or post office operating in Malaysia or by way of interbank transfer for the credit of an account maintained by our Company for the amount equal to the Exercise Price payable when exercising their Warrants to subscribe for new Shares. The payment of such fee must be made in Ringgit Malaysia.
Exercise rights	:	Each Warrant shall entitle the Warrant holder to subscribe for 1 new Share for every 1 Warrant held at any time during the Exercise Period at the Exercise Price, upon terms and subject to the provisions of the Deed Poll.
Board lot	:	For the purposes of trading on Bursa Securities, a board lot for the Warrants shall be 100 Warrants or such other denominations as permitted by any relevant authorities from time to time.
Adjustment in the exercise price and/ or number of Warrants	:	The Exercise Price and/ or number of Warrants may be adjusted by our Board in consultation with an approved adviser appointed by our Company or certified by the auditors of our Company at any time during the tenure of the Warrants, whether by way of capitalisation issue, rights issue, bonus issue, consolidation of shares, subdivision of shares or reduction of capital, in accordance with the terms and conditions of the Deed Poll.

Terms		Details
Rights of the Warrant holders in the event of winding-up, liquidation, compromise or arrangement	:	Where a resolution has been passed for a members' voluntary winding-up of our Company, or there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with one or more companies, then: (i) for the purposes of such a winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which our Company is the continuing corporation) to which the Warrant holders, or some persons designated by them for such purposes by a special resolution of the Warrants holders, shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the Warrant holders; and (ii) in the event a notice is given by our Company to our shareholders to convene a general meeting for the purpose of considering, and if thought fit, approving a resolution to voluntarily wind up our Company, and in any other case and subject always to the provisions of Deed Poll, every Warrant holder shall thereupon be entitled to exercise his Warrants at any time within 6 weeks after the passing of such resolution for a members' voluntary winding up of our Company or within 6 weeks after the granting of the court order approving the winding-up, compromise or arrangement (as the case may be), whereupon our Company shall allot the relevant new Shares to the Warrant holder credited as fully paid subject to the prevailing laws, and such Warrant holder shall be entitled to receive out of the assets of our Company which would be available in liquidation if the Warrant holder had on such date been the holder of the new Shares to which the Warrant holder would have become entitled pursuant to such exercise and the liquidator of our Company shall give effect to such election accordingly. Upon the expiration of the aforesaid 6 weeks period, all exercise rights which have not then been exercised will lapse and every Warrant will cease to be valid for any purpose.
Modifications of rights of the Warrant holders	:	Subject to the provisions of the Deed Poll, no amendment or addition may be made to the provisions of Deed Poll without the consent or sanction of the Warrants holders unless the amendments or additions are required to correct any manifest errors or are required to comply with any provisions of the prevailing laws or regulations of Malaysia or in the opinion of our Company, will not be materially prejudicial to the interests of the Warrant holders.
Transferability	:	Subject to the provisions of the Deed Poll, the Warrants shall be transferable in the manner provided under the SICDA and the Rules of Bursa Depository, Listing Requirements, Act and any other relevant statute or regulation.
Listing	:	The Warrants will be listed on the Main Market of Bursa Securities.
Governing law	:	The laws of Malaysia.

2.6 Details of other corporate exercises

Save for the implementation of the New SIS which shall be a date after the Entitlement Date and as disclosed below, our Board confirmed that our Company does not have any other outstanding corporate exercise/ scheme which has been announced but is pending implementation or completion:

(i) On 23 August 2018, our Company announced that its subsidiary, D'nonce (Kelantan) Sdn. Bhd., had entered into a Sale and Purchase Agreement ("**SPA 1**") with Kelantan Match Factory Sdn. Bhd. ("**Vendor**") to purchase 2 pieces of leasehold lands together with factory buildings erected thereon ("**Property**") held under H.S.(D) 717, PT 1502 and H.S.(D) 718, PT 1503, both in Mukim Kemumin, Daerah Jajahan, Kota Bharu, Negeri Kelantan, for a total cash consideration of RM4,300,000. This transaction is conditional upon the conditions precedent being satisfied on or before the stop date (means the date falling 12 months from the date of the SPA 1 (i.e., 22 August 2019)) ("**Stop Date**") or any other extended date mutually agreed between the parties. Notwithstanding the conditions precedent have not been met by the Stop Date, our Company has been in communication with the Vendor to extend the Stop Date. As at the LPD, the parties are in the midst of finalising the extension of the Stop Date and the signing of a supplemental agreement. Our Group has paid RM0.43 million or 10% of the total cash consideration to the Vendor's solicitors as stakeholder prior to execution of the SPA 1. Our Group intends to finance the balance consideration of RM3.87 million or 90% of the total cash consideration via bank borrowings. Our Company will make the appropriate announcements on any material developments in respect of the above-mentioned transaction pursuant to the Listing Requirements, if required.

3 MINIMUM SUBSCRIPTION LEVEL AND UNDERTAKING

Our Company intends to raise minimum gross proceeds of RM6.50 million from the Rights Issue under the Minimum Scenario after taking into consideration the funding requirements of our Group as set out in **Section 5** of this Abridged Prospectus and the availability of the financial resources of the Undertaking Shareholder.

Based on the issue price of RM0.09 per Rights Share, the Rights Issue based on the Minimum Subscription Level shall comprise of 72,222,223 Rights Shares together with 72,222,223 Warrants.

To meet the Minimum Subscription Level, our Company had on 11 August 2022 and 29 January 2024* obtained the Undertaking from the Undertaking Shareholder to apply and subscribe for:

(i) his entitlement of the Rights Shares; and

(ii) if required, additional Rights Shares not taken up by other Entitled Shareholders by way of excess Rights Shares application,

to the extent such that the aggregate subscription proceeds of the Rights Shares received by our Company arising from the subscription by all Entitled Shareholders and/ or their renouncee(s) amount to not less than RM6.50 million. For the avoidance of doubt, the subscription of Rights Shares (including excess Rights Shares, where applicable) by the Undertaking Shareholder pursuant to the undertaking is for an amount of up to RM6.50 million.

For the avoidance of doubt, our Company's only major shareholder at the point when our Company was procuring an undertaking, namely ASB, has declined to provide an undertaking to subscribe for the Rights Issue. Nevertheless, ASB voted in favour of the Rights Issue during the EGM.

Note:

* *An update to the Undertaking was obtained as the number of Rights Shares with attached Warrants pursuant to the Undertaking was determined after the fixing of the issue price of the Rights Shares at RM0.09 each.*

Based on the issue price of RM0.09 per Rights Share, the Undertaking Shareholder:

(i) shall be obliged to subscribe in full for his entitlements of the Rights Shares. In this respect, the Undertaking Shareholder has undertaken to commit a subscription amount of RM9,000 (based on the issue price of RM0.09 per Rights Share);

(ii) shall be obliged to subscribe for additional Rights Shares not taken up by other Entitled Shareholders and/ or their renouncee(s) by way of excess application, if necessary, to the extent such that the Minimum Subscription Level is met. In this respect, the Undertaking Shareholder has undertaken to commit an aggregate subscription amount of RM6.49 million to subscribe for excess Rights Shares (based on the issue price of RM0.09 per Rights Share) under the Rights Issue;

(iii) has sufficient financial resources to fulfil his Undertaking; and

(iv) will not transfer, dispose of or reduce his existing shareholding of Shares or any part thereof from the date of the written undertaking on 11 August 2022 and up to the completion of the Rights Issue.

Details of the Undertaking is as follows:

Shareholder	Direct shareholding as at the LPD		Rights Shares to be subscribed pursuant to the Undertaking				Total Rights Shares subscribed for	
	No. of Shares	%(1)	Entitlement Undertaking	%(2)	Additional Undertaking	%(2)	No. of Shares	%(2)
Low Chee Min	100,000	0.02	100,000	0.14	72,122,223	99.86	72,222,223	100.00

Notes:

(1) Based on the issued share capital of 434,462,377 DTB Shares as at the LPD.

(2) Based on the total of 72,222,223 Rights Shares to be subscribed for under the Minimum Subscription Level.

Assuming that only the Undertaking Shareholder subscribes for the Rights Shares pursuant to his Undertaking and no other Entitled Shareholder subscribes for their Rights Shares under the Minimum Scenario, his equity interests in our Company will be as follows:

Shareholder	As at the LPD		After the Rights Issue		After the full exercise of the Warrants	
	No. of Shares	%	No. of Shares	%(1)	No. of Shares	%(2)
Low Chee Min	100,000	0.02	72,322,223	14.27	144,544,446	24.97

Notes:

(1) Based on our Company's enlarged number of 506,684,600 Shares under the Minimum Scenario and after the Rights Issue.

(2) Based on our Company's enlarged number of 578,906,823 Shares under the Minimum Scenario and after full exercise of Warrants.

For illustrative purposes, assuming none of the other Entitled Shareholders subscribe for their entitlements of the Rights Shares, the Undertaking Shareholder will be subscribing for a total of 72,222,223 Rights Shares based on the issue price of RM0.09 per Rights Share.

Pursuant to the Undertaking, the Undertaking Shareholder has confirmed that he has sufficient financial resources to fulfil his obligations under his Undertaking.

TA Securities has verified the sufficiency of financial resources of the Undertaking Shareholder for the purpose of subscribing for the Rights Shares and excess Rights Shares pursuant to his Undertaking.

As the Minimum Subscription Level will be fully satisfied via the Undertaking, our Company will not procure any underwriting arrangement for the remaining Rights Shares not subscribed for by other Entitled Shareholders.

The Undertaking is not expected to result in any breach in the public shareholding spread requirement by our Company under Paragraph 8.02(1) of the Listing Requirements, which stipulates that a listed issuer must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders. As at the LPD, our Company does not hold any treasury shares.

The pro forma public shareholding spread under the Minimum Scenario is illustrated as follows:

	As at the LPD		(I) After Proposed Rights Issue		(II) After (I) and assuming full exercise of Warrants	
Particulars	**No. of Shares ('000)**	**[(1)]%**	**No. of Shares ('000)**	**[(2)]%**	**No. of Shares ('000)**	**[(3)]%**
Issued share capital	434,462	100.00	506,685	100.00	578,907	100.00
Less:						
Directors[(4)] and substantial shareholders	170,160	39.17	242,382	47.84	314,604	54.34
Associates of directors[(4)] and substantial shareholders	-	-	-	-	-	-
Public shareholding spread	**264,302**	**60.83**	**264,303**	**52.16**	**264,303**	**45.66**

Notes:

(1) Based on our issued share capital of 434,462,377 Shares as at the LPD.

(2) Based on our Company's enlarged number of 506,684,600 Shares after the Proposed Rights Issue.

(3) Based on our Company's enlarged number of 578,906,823 Shares after full exercise of the Warrants.

(4) Including the directors of subsidiaries of our Company.

Take-over implication

The Undertaking Shareholder has confirmed that:

(i) his subscription for the Rights Shares and excess Rights Shares (as the case may be) pursuant to his Undertaking will not give rise to any consequence of mandatory take-over offer obligation under the Code on Take-Overs and the Rules on Take-Overs immediately after completion of the Rights Issue; and

(ii) he will observe and comply at all times with the provision of the Code on Take-Overs and the Rules on Take-Overs and will seek from the SC the necessary exemptions from undertaking such mandatory take-over offer, if required.

Pursuant to subparagraph 4.08(1) of the Rules on Take-Overs, an offeror may apply for an exemption from a mandatory offer obligation when the issue of new securities as consideration for an acquisition, or a cash subscription, or the taking of a scrip dividend, would otherwise result in an obligation to make a mandatory offer. In the event that the Undertaking Shareholder triggers an obligation to undertake a mandatory take-over offer under the Code on Take-Overs and Rules on Take-Overs pursuant to the Undertaking, a separate announcement will be made.

4 RATIONALE FOR THE RIGHTS ISSUE

The Rights Issue will enable our Group to raise the funds primarily for the purpose as set out in **Section 5** of this Abridged Prospectus without incurring interest costs associated with bank borrowings or the issuance of debt instruments, thereby minimising any potential cash outflow arising from interest servicing costs. The Rights Issue would enable all Entitled Shareholders of our Company to participate in the fund-raising exercise at an issue price of RM0.09 per Rights Share, which our Board deems as attractive and would encourage subscription for the Rights Shares with Warrants.

In addition, our Board has also considered the following and is of the opinion that the Rights Issue is an appropriate option as:

(i) the proceeds from the issuance of Rights Shares will improve the cash flow of our Group and the usage of proceeds are expected to contribute positively to our Group's future earnings and improve our Group's financial performance;

(ii) the issuance of new Shares via Rights Issue will not dilute the existing shareholders' equity interest, assuming all Entitled Shareholders fully subscribe for their respective entitlements;

(iii) subscription to the Rights Shares provides an opportunity for our Company's existing shareholders to increase their equity participation in our Company, assuming other Entitled Shareholders do not subscribe or do not fully subscribe for their respective entitlements; and

(iv) the Undertaking will enable our Company to raise the minimum required funds without incurring additional cost in the form of underwriting commission.

The Warrants attached to the Rights Shares are intended to provide the Entitled Shareholders with additional incentive to subscribe for the Rights Shares. The Warrants will potentially allow the Entitled Shareholders who subscribe for the Rights Shares to benefit from the possible capital appreciation of the Warrants and increase their equity participation in our Company at a predetermined price over the tenure of the Warrants. Our Group would also be able to raise additional proceeds as and when the Warrants are exercised.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

5 UTILISATION OF PROCEEDS

As disclosed in the Circular, the Rights Issue was expected to raise gross proceeds of up to RM26.08 million under the Maximum Scenario, based on an illustrative issue price of RM0.06 per Rights Share.

Subsequently, on 29 January 2024, our Board resolved to fix the issue price at RM0.09 per Rights Share. Pursuant thereto, the Rights Issue is now expected to raise gross proceeds of up to RM39.10 million under the Maximum Scenario. The additional proceeds of RM13.02 million under the Maximum Scenario will be allocated for repayment of bank borrowings, working capital, construction of new factory building in Thailand and estimated expenses in relation to the Corporate Exercises. Such allocation was made after having considered the amount of funds required for each category and the order of priority as disclosed in the Circular and this Abridged Prospectus.

Hence, based on the issue price of RM0.09 per Rights Share, our Company will raise gross proceeds of up to RM39.10 million. The gross proceeds to be raised from the Rights Issue are intended to be utilised in the following manner:

Details of the utilisation	Notes	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)	Expected time frame for the utilisation of proceeds (from the date of the listing of the Rights Shares)
Construction of a new warehouse and additional production area	(1)	-	2,000	Within 24 months
Capital expenditure for purchase of machinery and equipment and installation of enterprise resource planning system	(2)	-	4,200	Within 24 months
Repayment of bank borrowings	(3)	3,000	16,000	Within 12 months
Working capital	(4)	1,950	7,352	Within 24 months
Construction of new factory building in Thailand	(5)	-	8,000	Within 24 months
Estimated expenses in relation to the Corporate Exercises	(6)	1,550	1,550	Within 1 month
Total		**6,500**	**39,102**	

Under the Minimum Scenario, the expenses for:

(i) construction of a new warehouse and additional production area;

(ii) capital expenditure for purchase of machinery and equipment and installation of enterprise resource planning system; and

(iii) construction of new factory building in Thailand,

will be funded via a combination of our Group's internally generated funds, bank borrowings and/ or future fund-raising exercises to be undertaken by our Group (if required). Our Group's more imminent plan for the utilisation of proceeds is for the repayment of bank borrowings and estimated expenses in relation to the Corporate Exercises. In respect of the purposes set out in Notes (1), (2) and (5) below, as the proceeds from the Rights Issue are intended to be utilised within 24 months, our Group will consider our internal funding requirements and capital structure at the relevant point in time. The breakdown of such funding cannot be determined at this juncture as it will depend on, amongst others, the actual shortfall amount as well as working capital requirements of our Group, the availability and suitability of other funding alternatives at the relevant time.

Notes:

(1) Construction of a new warehouse and additional production area

Our Group (via our Company's wholly-owned subsidiary, AVSB), intends to utilise proceeds of up to RM2.00 million from the Rights Issue for the construction of a new warehouse and additional production area.

AVSB is principally involved in the design and conversion of advanced packaging materials, precision polymer engineering service and contract manufacturing of electronic components in Penang. AVSB's customers are mainly Malaysian incorporated subsidiary companies of multinational corporations mostly based in the United States of America. AVSB also exports to their customers based in Singapore. AVSB provides the following products/ services for its customers in the following business:

Product/ service classification	Type of products/services	Customers' business
Paper and/ or foam	• Corrugated carton boxes, nesting and paper reels • Foam packaging	E&E
		Other industries
Precision polymer engineering	Packaging trays (i.e., blisters, precision shipping trays and reels)	E&E
		Healthcare
		Other industries (e.g.: automotive, food and beverage and other manufacturing industries)

AVSB operates from the following premises located in Penang:

Location of factory	Land size (sq ft)	Built up area (sq ft)	Description of production activity/ existing use	Production capacity ('000 units per month)(iii)	Average production output ('000 units per month)(iii)
No.3 Puncak Perusahaan 1, Prai Industrial Estate(i) (referred to as "**Prai Industrial Estate**")	19,062	19,050	Paper/ foam packaging	142	90
Plot 425, Tingkat Perusahaan 6A, Free Trade Zone, Prai Industrial Estate Penang(ii) (referred to as "**Plot 425**")	46,800	29,614	Precision polymer engineering (i.e., packaging trays - blisters, precision shipping trays and reels)	2,700	500
No. 2733, Tingkat Perusahaan 6A 13600 Prai Penang(ii) (referred to as "**Plot 2733**")	43,706	25,649	Precision polymer engineering (i.e., packaging trays - blisters, precision shipping trays and reels)	1,050	110

Notes:

(i) *Rented by AVSB.*

(ii) *Owned by AVSB as the registered proprietor. Both Plot 425 and Plot 2733 are located adjacent to each other.*

(iii) *Based on the products manufactured by the company for the past 12 months up to the LPD. The company's products undergo varied and different processes which are dependent on the shape, size, design and specifications of the products as required by different customers. Production capacity and output vary depending on the different designs and specification of products at any time. As such, the production capacity is an average of the total capacity of the various types of machines (including injection moulding machines, thermoforming machines and pressure forming machines). The average production output per month is computed based on actual units manufactured by all the machines during the said past 12 months.*

Construction of new warehouse and additional production area

DTB intends to construct a new warehouse and additional production area with a floor space of approximately 15,300 sq ft and 2,700 sq ft, respectively ("**Extended Penang Factory**") on the two parcels of leasehold industrial lands namely Plot 425 and Plot 2733 which are adjacent to each other and are owned by AVSB, with a total land size of approximately 90,506 sq ft.

Currently, AVSB has fully occupied its designated warehouse facilities with a total floor space of approximately 6,500 sq ft at Plot 425 and Plot 2733 for storage of its raw materials and finished goods. With the construction of a new warehouse with floor space of approximately 15,300 sq ft, AVSB will have additional space to store its raw materials and finished goods.

The additional production area will house an additional of up to 4 manufacturing lines (i.e., 4 injection moulding machines), which is in line with our Group's plan of gradually expanding the manufacturing business from 23 lines as at the LPD to up to 25 lines. As at the LPD, our Group had commenced the expansion of 2 additional manufacturing lines where our Group purchased 2 injection moulding machines in January 2023 which have been operationalised since January 2023 to produce packaging trays for our customers. Our Group will continue to monitor our operational requirements and demand from our customers in considering the timing for further expansion of our manufacturing lines.

AVSB has received requests from its existing and new customers to design and produce new specifications of packaging trays which require injection moulding machines (with different specifications) to produce. AVSB is currently working on the designs for various models of packaging trays for new customers operating in E&E industry. As at the LPD, AVSB has yet to secure purchase orders from customers to manufacture the new specifications of packaging trays.

The expected increase in the total production capacity of packaging trays (e.g., blisters, precision shipping trays and reels) is up to 0.15 million pieces per month. The combined production capacity of packaging trays by AVSB from Plot 425 and Plot 2733 as at the LPD and after the construction of Extended Penang Factory are as follows:

	As at the LPD	**After the construction of Extended Penang Factory**
Number of manufacturing lines for packaging trays	23	25
Production capacity* ('000 units of packaging trays per month)	3,750	3,900

Note:

* *Based on the products manufactured by AVSB for the past 12 months up to the LPD. The company's products undergo varied and different processes which are dependent on the shape, size, design and specifications of the products as required by different customers. Production capacity and output vary depending on the different designs and specification of products at any time.*

As such, the production capacity is an average of the total capacity of the various types of machines (including injection moulding machines, thermoforming machines and pressure forming machines). Production output is the actual units manufactured/ to be manufactured by all the machines.

The 4 new manufacturing lines (consisting of 4 injection moulding machines to be acquired) of which 2 of the injection moulding machines with an estimated cost of RM0.60 million will be funded via the proceeds to be raised from the Rights Issue (for capital expenditure) as set out in **Note 2(i)** of **Section 5** of this Abridged Prospectus and the purchase of the remaining 2 injection moulding machines are intended to be funded via the combination of our Group's internally-generated funds and bank borrowings.

The construction of the Extended Penang Factory is estimated to be completed within 24 months after the completion of the Rights Issue.

The cost of construction of the Extended Penang Factory is estimated to be at approximately RM6.00 million, details of the breakdown are as follows:

	RM'000
New warehouse	5,100
Additional production area (for the 4 new manufacturing lines)	900
Total estimated cost	**6,000**

DTB intends to utilise RM2.00 million of the proceeds raised from the Rights Issue for the said construction cost and the balance of RM4.00 million will be funded via a combination of our Group's internally generated funds and/ or bank borrowings.

Any shortfall between the proceeds allocated for the construction of the Extended Penang Factory and the actual proceeds raised is intended to be met via internally generated funds, bank borrowings and/ or future fund-raising exercises to be undertaken by our Group (if required). The breakdown of such funding cannot be determined at this juncture as it will depend on, amongst others, the actual shortfall amount as well as working capital requirements of our Group, the availability and suitability of other funding alternatives at the relevant time.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

(2) Capital expenditure

Proposed utilisation	Notes	Maximum Scenario RM'000
Purchase of machinery and equipment	(i)	1,700
Purchase and installation of enterprise resource planning ("**ERP**") system	(ii)	2,500
Total		**4,200**

(i) Purchase of machinery and equipment

To support the future growth and expansion of our Group as well as to improve our Group's operational capacity, efficiency and productivity, our Group intends to utilise proceeds of up to RM1.70 million from the Rights Issue for the purchase of additional precision polymer engineering machines (such as injection moulding machines and pressure forming machines) under the Maximum Scenario.

As at the LPD, our Group owns 29 units of precision polymer engineering machines (which includes injection moulding machines, thermoforming machines and pressure forming machines), with production capacity of up to 5.16 million pieces of packaging trays per month.

Our Group plans to allocate up to RM1.70 million of the proceeds for the purchase of 1 additional unit of pressure forming machine and 2 units of injection moulding machines which would produce among others, various plastic trays, blisters and injection marks on the trays. We had in January 2023 purchased the said 2 units of injection moulding machines via a combination of internal funds and bank borrowings which shall be reimbursed via proceeds from the Rights Issue. Based on quotations obtained from local suppliers, the estimated cost for 1 additional unit of pressure forming machine is approximately RM1.10 million. Nonetheless, we have not procured or entered into any binding arrangements for the purchase of the 1 additional unit of pressure forming machine. Therefore, the actual cost for this machine is subject to change based on the eventual specifications of the machine and the prevailing price when the purchase is effected. With the 1 additional unit of pressure forming machine, this will increase our Group's production capacity for precision polymer engineering products by 550,000 pieces of packaging trays per month. Such new machines would facilitate our Group to capture potential growth of the E&E industry.

Our Group's total production capacity of packaging trays as at the LPD and after the purchase of 1 additional unit of pressure forming machine are as follows:

	As at the LPD	After purchase of new machines via proceeds raised from the Rights Issue
Number of manufacturing lines for packaging trays	29[(aa)]	30[(bb)]
Production capacity* ('000 units of packaging trays per month)	5,160	5,710

Notes:

* *Based on the products manufactured by our Group for the past 12 months up to the LPD. Our Group's products undergo varied and different processes which are dependent on the shape, size, design and specifications of the products as required by different customers. Production capacity and output vary depending on the different designs and specification of products at any time.*

As such, the production capacity is an average of the total capacity of the various types of machines (including injection moulding machines, thermoforming machines and pressure forming machines). Production output is the actual units manufactured/ to be manufactured by all the machines.

(aa) As at the LPD, our Group (via AVSB) had in January 2023 purchased 2 injection moulding machines as part of our expansion via internal funds of our Group (as mentioned in Note (1) above). Accordingly, part of the proceeds allocated herein shall be utilised to reimburse our Group for such purchases.

(bb) As at the LPD, our Company's wholly-owned subsidiary, AVKL, does not own any pressure forming machine. Our Group (via AVKL) intends to purchase 1 unit of pressure forming machine to produce precision polymer engineering products to cater for our Klang Valley market.

These additional machines will enable our Group to remain competitive and capture new business opportunities within the E&E industry as these additional machines will increase our Group's production capacity and product specifications.

(ii) Purchase and installation of ERP system

Our Group plans to allocate up to RM2.50 million of the proceeds under the Maximum Scenario to implement a new ERP system to replace the existing system. Based on our Group's internal estimates, the estimated cost for the purchase and installation of ERP system is approximately RM2.50 million. Our Group has not procured or entered into any binding arrangements for the purchase and installation of ERP system. Therefore, the actual cost is subject to change based on the eventual specifications and the prevailing price when the purchase is effected.

The ERP modules which our Group intends to implement include, amongst others, sales, purchasing, inventory management, material resource planning and analytics/ dashboard and reporting. The migration to a new ERP system will include improved dashboard and reporting which will reduce manual inputs and streamline and integrate various production, inventory, financial and administration functions and processes into one complete system. This is aimed at increasing timely flow of data and information among different departments and business units to facilitate decision making and reporting as our Group has operations in different geographical areas in Malaysia (i.e., Penang, Johor and Kuala Lumpur) and Thailand.

Our Group expects to finalise the specifications for the purchase and to commence installation of the new ERP information technology system in the 2nd half of 2024.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

(3) Repayment of bank borrowings

As at the LPD, our Group's outstanding bank borrowings stood at RM58.53 million (comprising term loans, revolving credit, bankers' acceptance, trust receipts, bank overdraft and finance lease liabilities). Our Group intends to utilise proceeds of up to RM16.00 million from the Rights Issue towards repayment of the following bank borrowings, allocated up to its respective maximum allocation in the following order as set out below:

Name of bank	Type of facility	Outstanding amount as at the LPD	Repayment amount[iii]		Estimated annual interest savings from the repayment		Effective interest rate
			Minimum Scenario	Maximum Scenario	Minimum Scenario	Maximum Scenario	
		(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	%
Hong Leong Islamic Bank Berhad	Revolving credit[i]	6,000	3,000	6,000	153	307	5.11
RHB Bank Berhad	Revolving credit[i]	2,000	-	2,000	-	103	5.11 – 5.14
Hong Leong Bank Berhad	Term loan[ii]	3,690	-	1,116	-	72	6.45
Maybank Islamic Berhad	Bank overdraft[i]	3,257	-	3,257	-	249	7.65
AmBank (M) Berhad	Bank overdraft[i]	2,001	-	2,001	-	159	7.95
Bank of Ayudhya Public Company Limited	Bank overdraft[i]	1,626	-	1,626	-	119	7.33
Total		**18,574**	**3,000**	**16,000**	**153**	**1,009**	

Notes:

(i) These revolving credit facilities and bank overdrafts were drawn down to finance our Group's working capital. There were draw downs in the previous 12 months for working capital purposes.

(ii) The term loan was used to finance the acquisition of building for AVSB's investment property located at Plot 314, Penang Science Park, Bukit Minyak, Mukim 13, Daerah Seberang Perai Tengah, Penang. There was no draw down in the previous 12 months.

(iii) While our Group intends to allocate proceeds of up to RM16.00 million from the Rights Issue to repay these borrowings, these borrowings are subject to prevailing interest rate, drawdown and repayment from time to time. As such, the outstanding principal amounts of these borrowings at the point of repayment may differ from the current amount as at the LPD. The repayment of any such outstanding bank borrowings in respect of the aforesaid credit facilities will not result in any material penalty/ repayment cost being incurred by our Group.

*In this event, any surplus shall be reallocated in the order of utilisation set out in this **Section 5** below.*

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

(4) Working capital

Our Group intends to utilise up to RM7.35 million from the Rights Issue to fund our Group's working capital requirements in the following manner:

Working capital	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)
Our Group's raw materials comprise mainly paper, resin and plastic film, constituting a major part of our Group's manufacturing costs. In view that such inventories are being used on an on-going basis, our Group intends to increase our Group's raw materials holdings as part of our Group's strategic planning and as a hedge against movements in foreign currencies such as United States Dollar[(i)]	1,950	6,000
Operating and administrative expenses, such as rental expenses, utility charges, maintenance expenses, transportation costs, marketing costs and other miscellaneous items such as audit fees and secretarial fees	-	1,352
Total	**1,950**	**7,352**

Note:

(i) Our Group's raw materials comprise mainly paper, resin and plastic films which are mainly used for production of paper/ foam packaging and precision polymer engineering products.

The actual breakdown of these components of raw materials cannot be determined at this juncture as it will depend on the actual production requirements of our Group at the relevant time. The proceeds to be utilised to purchase raw materials represent approximately 5.62% of our Group's total purchases of inventories and raw materials of our Group for the latest FYE 31 March 2023.

Any shortfall between the actual proceeds raised and our Group's working capital requirements shall be funded via internally generated funds, bank borrowings and/ or future fund-raising exercises to be undertaken (if required). However, the funding breakdown cannot be determined at this juncture as it will depend on, amongst others, the cash to be generated from the expansion plan as well as working capital requirements of our Group, the availability and suitability of other funding alternatives at the relevant time.

(5) Construction of new factory building in Thailand

To facilitate our Group's diversification plan, our Group intends to utilise proceeds of up to RM8.00 million under the Maximum Scenario from the Rights Issue for the construction of a new factory building in Thailand. Our Group (via our Company's wholly-owned subsidiary, ISCM Thailand) currently owns a vacant industrial land, with land size of 58,211 sq ft, located at Plot No. 33, Thanu, U-Thai, Pranakorn Sri Ayutthaya, Thailand ("**Plot 33**"). ISCM Thailand is principally involved in cleanroom services and contract manufacturing of electronic components.

Currently, our 99.9991%-owned subsidiary, KTCL operates from a rented factory with a built-up area of 24,487 sq ft located at 700/451 Moo 7, Amata City Chonburi Industrial Estate, Donhuaror Muangchonburi, Chonburi 20000, Thailand ("**Existing KTCL Factory**").

We plan to construct a new factory building ("**New Labelling Factory**") with a floor space of approximately 33,000 sq ft on Plot 33. The New Labelling Factory will be located within close proximity of approximately 1 km with ISCM Thailand's existing factory, as compared to a distance of more than 100 km from the Existing KTCL Factory.

Notwithstanding ISCM Thailand is not involved in the Labelling Business, the relocation of KTCL's operations to the New Labelling Factory will enable rental cost savings of approximately RM0.70 million per annum as well as ease of management and co-ordination. In line with our Group's plan of extending the entire end-to-end packaging and design solutions (via the Labelling Business) and tapping into the enlarged customer base (i.e., including KTCL which was acquired in December 2022), the close proximity between the 2 factories will also facilitate the movement of work-in-progress inventories and enable savings in transportation cost.

The New Labelling Factory is expected to house KTCL's 5 existing label printing machines and any other new machines to be acquired in the future. Currently, KTCL has fully occupied the production area of its Existing KTCL Factory.

As at the LPD, our Group is in the midst of discussion with our Group's contractor on the proposed layout plan and design of the New Labelling Factory. As at the LPD, our Group has not obtained:

(i) planning consent for the construction of the New Labelling Factory; and

(ii) approval to construct and operate the New Labelling Factory.

Our Group will obtain the relevant planning consent and approval from the relevant authorities for the construction of the New Labelling Factory, after finalisation of the layout plan and design of the New Labelling Factory with our Group's contractor. The said relevant planning consent and approval from the relevant authorities are expected to be obtained in the 3rd quarter of 2024 based on our Group's estimates.

The construction of the New Labelling Factory is expected to commence in 4th quarter of 2024 and estimated to be completed within 24 months after the completion of the Rights Issue. Our Company expects the New Labelling Factory will be in commercial operation within 2 months after the New Labelling Factory is fully constructed.

Our Company has estimated that the construction cost of the factory building is approximately RM11.00 million. DTB intends to utilise RM8.00 million of the gross proceeds raised from the Rights Issue under the Maximum Scenario for the construction cost of the New Labelling Factory and the balance of RM3.00 million will be funded via a combination of our Group's internally-generated funds and/ or bank borrowings.

Any shortfall between the proceeds allocated to the construction of New Labelling Factory and the actual proceeds raised is intended to be met via internally generated funds, bank borrowings and/ or future fund-raising exercises to be undertaken by our Group (if required). The breakdown of such funding cannot be determined at this juncture as it will depend on, amongst others, the actual shortfall amount as well as working capital requirements of our Group, the availability and suitability of other funding alternatives at the relevant time.

(6) Estimated expenses in relation to the Corporate Exercises

The breakdown of the estimated expenses for the Corporate Exercises are set out below:

Details of the utilisation	RM'000
Professional fees which include, among others, advisory fees payable to the Principal Adviser, solicitors, foreign counsel, IMR and reporting accountants in relation to the Corporate Exercises	1,300
Fees to relevant authorities (i.e., Bursa Securities, SC and Companies Commission of Malaysia)	125

Details of the utilisation	RM'000
Other incidental expenses in relation to the Corporate Exercises such as printing, despatch, advertising costs, expenses to convene EGM and miscellaneous expenses	125
Total	**1,550**

If the actual amount varies from the above estimated expenses for the Corporate Exercises, the excess or deficit, as the case may be, will be adjusted to or from the amount earmarked for working capital of our Group.

Any additional gross proceeds raised in excess of the RM6.50 million under the Minimum Scenario will be allocated up to its maximum allocation in the following order:

(i) repayment of bank borrowings;

(ii) working capital;

(iii) capital expenditure for purchase of machinery and equipment and installation of ERP system;

(iv) construction of new factory building in Thailand; and

(v) construction of a new warehouse and additional production area.

As the Minimum Subscription Level is to raise gross proceeds of RM6.50 million, any shortfall in proceeds raised under the Maximum Scenario will be funded via our Group's cash balance, internally-generated funds, bank borrowings and/ or future fund-raising exercise, if any.

Pending utilisation of the proceeds from the Rights Issue, the proceeds will be placed in deposits with licensed financial institution or short-term money market instruments as our Board may deem fit. The interest derived from the deposits with the financial institution or any gain arising from the short-term money market instruments will be used for working capital purposes.

The gross proceeds to be raised from the exercise of the Warrants is dependent on the total number of Warrants exercised during the tenure of the Warrants. As such, the exact amount to be raised and timeframe for utilisation of the proceeds from the exercise of the Warrants is not determinable at this juncture. For illustrative purposes only, the gross proceeds to be raised upon the full exercise of the Warrants based on the Exercise Price, is set out below:

	Minimum Scenario	Maximum Scenario
No. of Warrants	72,222,223	434,462,377
Total gross proceeds to be raised assuming full exercise of Warrants (RM)	6,500,000	39,101,614

Our Company intends to utilise the proceeds arising from the exercise of the Warrants, if any, for our Group's working capital. The working capital raised from the exercise of the Warrants will be utilised to finance our Group's day-to-day operations, including payments to our trade creditors for the purchase of raw materials, operating and administrative expenses (e.g., labour cost, production overhead, rental expenses, utility charges, maintenance expenses, transportation costs, marketing costs and other miscellaneous items). The allocation of proceeds to be utilised for each component of working capital is subject to our Group's operational requirements at the time of utilisation. As such, the detailed allocation can only be determined by our Board at a later date.

Pending utilisation of the proceeds to be raised as and when the Warrants are exercised, the proceeds may be placed in deposits with licensed financial institutions and/ or short-term money market instruments. The interest derived from the deposits with licensed financial institutions and/ or any gains arising from the short-term money market instruments will be used as additional funds for the working capital requirements of our Group.

6 RISK FACTORS

You should carefully consider, in addition to the other information contained in this Abridged Prospectus, the following risk factors before subscribing for or investing in the Rights Issue:

6.1 Risks relating to our Group

The table below sets out the brief financial highlights of our Group for the FYE 30 April 2021, 11M-FPE 31 March 2022, FYE 31 March 2023, 6M-FPE 30 September 2022 and 6M-FPE 30 September 2023:

	Audited			Unaudited	
	FYE 30 April 2021 (RM'000)	11M-FPE 31 March 2022 (RM'000)	FYE 31 March 2023 (RM'000)	6M-FPE 30 September 2022 (RM'000)	6M-FPE 30 September 2023 (RM'000)
Revenue	184,249	166,600	174,861	88,659	87,752
PBT/ (LBT)	15,370	9,692	840	2,926	(3,025)
PAT/ (LAT)	13,796	8,822	65	1,876	(3,179)

Our Group's overall revenue has generally been on a decreasing trend i.e., from RM184.25 million for the FYE 30 April 2021 to RM181.74 million (annualised) for the 11M-FPE 31 March 2022 to RM174.86 million for the FYE 31 March 2023.

The decreased annualised revenue for 11M-FPE 31 March 2022 was mainly due to the decrease in sales volume from our Group's customers from the E&E industry as a result of changes in product mix and decrease in sales volume from our Group's customers from other industries (which comprised end-to-end packaging and design solutions and supply of goods and services primarily supporting customers in the automotive, food and beverage and other manufacturing industries) arising from the prolonged movement restrictions. For the FYE 31 March 2023, our Group experienced decreased revenue contribution from our Group's customers from the healthcare sector mainly attributable to lower sales volume of packaging boxes for glove manufacturers as the demand for gloves spurred by the COVID-19 pandemic abated.

Our Group's PBT decreased from RM15.37 million for the FYE 30 April 2021 to RM0.84 million for the FYE 31 March 2023 mainly due to, amongst others, lower revenue, rising cost of raw materials and less favourable product mix.

For the 6M-FPE 30 September 2023, our Group's revenue decreased to RM87.75 million mainly due to the decrease in sales volume from our Group's customers from the E&E industry as a result of soft global market demand in the E&E industry and changes in product mix. Our Group recorded a LBT of RM3.03 million for the 6M-FPE 30 September 2023 as compared to a PBT of RM2.93 million for the 6M-FPE 30 September 2022 mainly due to lower revenue contribution and absence of fair value gain on investment properties.

Further details on the financial commentaries of our Group for the FYE 30 April 2021, 11M-FPE 31 March 2022 and FYE 31 March 2023 as well as the 6M-FPE 30 September 2023 are set out in **Section 4** of **Appendix I** of this Abridged Prospectus.

Our Group had undertaken initiatives to improve our financial and operational performance. These are set out in **Section 7.10** of this Abridged Prospectus together with the prospects and future plans of our Group. However, there is no assurance that such initiatives and plans would be able to successfully turnaround or improve the financial performance of our Group in the future. Even if the plans are successful in the near term, there is no assurance that our Group would be able to sustain its earnings.

The risks inherent in our Group's business segments are set out in **Sections 6.1.1**, **6.1.2** and **6.1.3** below:

6.1.1 Risks inherent in manufacturing industry related to our Group's businesses

Our Group offers a wide range of services encompassing end-to-end packaging and design solutions (including Labelling Business), precision polymer engineering services, cleanroom and contract manufacturing services as well as supply chain management and sales and distribution of products. We support customers mainly in the E&E industry as well as healthcare industries. The geographical markets of our customers are mainly in Thailand and Malaysia. Hence, we are subject to the risks inherent in such manufacturing industry.

(i) Business and operational risks

Our Group provides end-to-end packaging and design solutions, precision polymer engineering services, cleanroom and contract manufacturing services as well as supply chain management and sales and distribution of products. Hence, we are subject to the risks inherent in such manufacturing industry, which include but are not limited to labour supply, fluctuation in labour costs, changes in general economic, business and credit conditions and changes in legal and environmental framework within which the industry our Group operates.

The customised manufacturing process may also be disrupted if there is any shortage of raw materials, as well as fluctuation in the prices of these raw materials. As such, any increase in the prices of raw materials will have a direct impact on our Group's cost of sales. In the event the increase in costs cannot be passed on to the customers, the gross profit margin will be eroded, hence affecting our Group's profitability. This has been reflected in our financial performance where we continue to experience rising cost of raw materials and logistics costs arising from global supply chain disruptions and geopolitical instability. Please refer to the financial commentary in **Section 4** of **Appendix I** of this Abridged Prospectus for further details.

Although we continuously seek to limit and mitigate the abovementioned risk through, among others, prudent business strategies, continuous review of the production operations and marketing strategies, effort taken to improve the efficiency of the operations, as well as maintaining long-term business relationships with our customers, there can be no assurance that any change to these risks would not have a material adverse effect on our Group's business.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

As set out in **Section 5** of this Abridged Prospectus, under the Maximum Scenario, a portion of the proceeds (i.e., up to RM10.00 million) to be raised from the Rights Issue is intended to be utilised to fund the following:

(a) construction of a new warehouse and additional production area at factory located at Penang; and

(b) construction of new factory building in Thailand, for our Group's Labelling Business.

Our Group's funding requirements for the construction of a new warehouse and additional production area as well as construction of new factory building in Thailand are estimated to be up to RM17.00 million, of which RM10.00 million is expected to be funded via proceeds to be raised from the Rights Issue and the remaining RM7.00 million will be funded via a combination of our Group's internally-generated funds and/ or bank borrowings. In the event we are unable to secure the necessary funding or financing in a timely manner, the construction of the new warehouse and additional production area as well as new factory building may be delayed. Further details on the financing risk are set out in **Section 6.1.1(viii)** of this Abridged Prospectus.

If there is a delay in the completion of the new warehouse and additional production area as well as new factory building, we may be exposed to the risk of higher construction costs, arising from, among others, increase in actual costs due to factors beyond our control, such as longer project implementation period due to unscheduled delays in readiness of site, increases in cost of labour and raw materials (such as bricks, sands and cements). In such events, our Group may incur cost overruns which would affect our cash flows and financial performance.

In addition to the above, as set out in **Section 5** of this Abridged Prospectus, under the Maximum Scenario, a portion of the proceeds (i.e., up to RM2.50 million) to be raised from the Rights Issue is intended to be utilised to fund capital expenditure for purchase of injection moulding machines and pressure forming machine.

Our business may be susceptible to interruptions caused by defects or breakdowns of these machineries due to, among others, power/ utility outages, accident, fire or other incident that is beyond our control. The occurrence of any such incidences may result in the disruptions to or unplanned shutdown of our manufacturing facility which may in turn adversely affect our operations and financial performance.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

(ii) Economic, social, political and regulatory risks as well as the occurrence of force majeure events such as global pandemic risks

The developments in political, economic and regulatory conditions in Malaysia and other countries where our Group has a business presence, such as Thailand, could materially affect the business and financial prospects of our Group. Our business is also susceptible to the risks of any outbreak of diseases that could result in localised epidemics or pandemics causing, amongst others, supply chain disruptions and hence increase in logistics/ transportation costs. These factors will in turn, interrupt our business operations while adversely affecting our financial performance.

Such risks include changes in the political, social, economic and regulatory conditions arising from, among others, changes in political leadership, geopolitical events (e.g., the Russia-Ukraine conflict and US-China trade tensions), general economic and business conditions, introduction of new regulations, civil unrest, expropriation and riots, wars and/ or sanctions, prolonged pandemic or the emergence of new epidemics or pandemics. Whilst our Group continues to take measures to mitigate these risks including close monitoring of the relevant government's master plan in respect of long-term economic and development policies so that our Group can stay ahead as well as capitalise on any regulatory changes in the industry in which our Group operates, there is no assurance that any adverse economic, social, political, regulatory conditions as well as the occurrence of force majeure events such as a global pandemic will not materially affect our Group.

(iii) Competition risk

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

Notwithstanding the above, our Group has an established presence in the respective industries our subsidiaries operate in, and our Group expects to continue to strive to remain competitive based on our experience and track record.

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

(iv) Foreign exchange risks

The functional currencies of our Group are RM and THB. Our Group is exposed to foreign exchange risks through our operations in Malaysia and Thailand with our geographical markets mainly in Malaysia and Thailand as well. Our sales and purchases transactions are mainly in United States Dollar ("**USD**") and Singapore Dollar ("**SGD**") besides our Group's functional currencies. Our business is therefore exposed to foreign currency risks mainly from the fluctuations of these currencies.

Any difference in the prevailing exchange rates on the dates of settlement may give rise to foreign currency exchange gains or losses that would affect our Group's financial performance. If significant foreign currency fluctuations occur in the future, they may adversely and materially affect the financial performance of our Group.

(v) Fluctuations in raw material prices

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

Based on our audited consolidated financial statements for the past 3 financial years/ period up to the FYE 31 March 2023, the raw materials and consumables used increased by 7.24%% (annualised raw materials and consumables used for the 11M-FPE 31 March 2022 compared to FYE 30 April 2021) and 19.92% (FYE 31 March 2023 compared to the annualised raw materials and consumables used for the 11M-FPE 31 March 2022). The increase in raw materials and consumables is mainly due to the increase in cost of raw materials and logistic costs as a result of global supply chain disruptions and geopolitical instability (such as the Russia-Ukraine conflict and US-China trade tensions).

(vi) Breakdown of machineries in our Group's production lines

Our Group is exposed to the risks of breakdown of machineries used in our Group's production lines. Our Group's business is supported by automated production lines and equipment and our Group is therefore dependent on our manufacturing facilities running smoothly and efficiently. Hence, the event of unanticipated breakdowns or prolonged interruptions to our Group's production lines may affect production schedules and the timely delivery of orders to our customers. This in turn could have adverse effects on our Group's profitability and reputation.

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

(vii) Oversupply and decreasing demand of rubber gloves

Our Group manufactures packaging boxes for major glove manufacturers in the healthcare sector.

The outbreak of the COVID-19 pandemic has boosted the demand for personal protective equipment to curb the pandemic and in turn, the demand for medical gloves.

The rollout of vaccines globally to curb the spread of COVID-19 and the eventual reduction in COVID-19 cases have normalised the demand of the medical gloves to pre-pandemic levels. Although the demand for rubber gloves is expected to continue to be driven by other end-user markets such as the manufacturing industry, growth in the global economy and demand for rubber gloves from emerging markets due to changes in healthcare requirements, there is no assurance that the existing demand for rubber gloves may be sustained and hence will adversely impact our Group's financial performance. This was reflected in our Group's financial performance for the FYE 31 March 2023 compared to the 11M-FPE 31 March 2022, as our Group experienced lower revenue contribution from our customers mainly from the healthcare sector. Please refer to the financial commentary in **Section 4** of **Appendix I** of this Abridged Prospectus for further details.

(viii) Financing risk

As set out in **Section 5** of this Abridged Prospectus, our Group's funding requirements for construction of a new warehouse and additional production area and construction of new factory building in Thailand are estimated to be up to RM17.00 million, of which RM10.00 million are expected to be funded via proceeds to be raised from the Rights Issue and to be utilised within 24 months after completion of the Rights Issue. If the proceeds raised from the Rights Issue are insufficient for our Group's funding requirements (i.e., if the Rights Issue is not fully subscribed), our Group may seek alternative sources of funds such as bank borrowings and/ or future fund-raising exercises to be undertaken (if required). After taking into consideration that our Group has unutilised limits of credit facilities with financial institutions and there has not been any default on payments of either interest and/ or principal sums on any borrowings throughout the past 1 financial year (being the FYE 31 March 2023) and subsequent financial period up to the LPD, our Board is of the view that our Group would be able to secure the required bank borrowings from the financial institutions should the need arise.

As at the LPD, our Group's total borrowings stood at approximately RM58.53 million as set out in **Section 9.2** of this Abridged Prospectus, all of which are interest-bearing. The interest coverage ratio of our Group is computed as follows:

Interest coverage ratio	=	$\dfrac{\text{Earnings before finance costs and interest income, taxation, depreciation and amortisation}}{\text{Interest expense}}$
FYE 31 March 2023:	=	$\dfrac{\text{RM11.23 million}}{\text{RM1.68 million}}$
	=	6.68 times
6M-FPE 30 September 2023	=	$\dfrac{\text{RM3.36 million}}{\text{RM1.44 million}}$
	=	2.33 times

Our Group's cash generated from operating activities were RM7.42 million for the FYE 31 March 2023 and RM5.58 million for the 6M-FPE 30 September 2023. Based on our cash generated from operating activities for the latest financial year and financial period as well as the interest coverage ratios above, our Group is of the view that it would be able to meet the interest payment obligations.

If our Group obtains further borrowings, our Group will be subject to periodical repayment and interest commitments. In this regard, our Group may be exposed to fluctuations in interest rates. Any increase in interest rates will affect the financial performance of our Group.

There is no assurance that the borrowings will be available in amounts or on terms acceptable to our Group, which may adversely affect the operations of our Group and as a result affect the financial performance of our Group.

(ix) Business diversification risk

Our Group diversified to include the Labelling Business via the Acquisition of KTCL which was completed on 29 December 2022. Our management believes that it is synergistic to expand the operations of our Group's packaging and design solutions segment to include the Labelling Business, with the objective of creating diversity in/ expand its product offerings in order to increase our Group's revenue.

KTCL was incorporated on 29 June 1995 and is principally involved in the manufacturing and selling of self-adhesive labels. The company has been in operations for more than 25 years in the self-adhesive labels industries in Thailand.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

The Diversification exposed our Group to risks inherent to the label industry, which our Group has not been participating in the past. These included, amongst others, general economic slowdown, downturn in the global and regional economies, competition from existing players, changes in the legal and environmental framework within which the adhesive label industry and changes in demand for adhesive label industry.

Recognising the inherent risk arising from the Diversification, our Group will continue to adopt prudent procedures and operations in reviewing and monitoring the performance of KTCL and the Labelling Business. Our Group seeks to mitigate the diversification risk by, among others, leveraging on the experience and expertise of KTCL's management team. In addition, our Group may recruit other personnel with relevant expertise and experiences, specifically in the area of the Labelling Business. Further, the management of our Group has and will continuously keep abreast with the news and development and/ or updates relating to the adhesive label industry so as to limit our Group's exposure from risk arising from the adhesive label industry. However, there can be no assurance that our Group will be able to successfully mitigate the various risks inherent in the Labelling Business, and if unable to do so, the business operations and financial performance of our Group may be adversely affected. In addition, there is no assurance that any adverse changes arising from the Labelling Business will not have any material adverse effect to the overall business performance of our Group in the future.

6.1.2 Risks relating to our Group's cleanroom services

(i) Dependency on the hard disk drive ("HDD"), electronic products and E&E industries

As surface treatment, cleaning and finishing are essential in HDD and electronics manufacturing, our Group's provision of cleanroom services is dependent on the growth of the HDD, electronic products (such as media cassettes, clean room trays and HDD components) and electronics industries. As such, our Group's financial results may be adversely affected by a reduction in sales volumes of HDD and electronic products.

Our management seeks to mitigate this risk by adopting prudent business strategies such as constant monitoring of its financial performance against its budgets and cost rationalisation. Our Group will continuously review the cleanroom services operations and keep abreast with the latest developments in the E&E industries to mitigate such risks. However, no assurance can be given that any changes in the above factors, which are beyond our Group's control, will not have any material and adverse impact to the business of our Group.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

(ii) Changes in the markets for HDDs and electronic products require us to develop new technology

The HDD and electronic products are driven by innovation and changes from time to time with the introduction of new products and new technology. The demand for such products may require precision cleaning services for products which our Group has never provided for. In such an event, there will be a need to customize new cleaning solutions and processes, or even acquire new machines and equipment to support such new cleaning processes. The success of our Group in developing new cleaning processes/ washing methods is dependent on a number of factors including the existing available technology in the market and requirements of our customers. In this regard, we are subject to the risk that the washed products may have quality problems or other defects in the early stages of introducing new cleaning solutions and processes that were not anticipated in the design of such solutions and processes. If we are not successful in using the existing technology to develop and customise new cleaning processes/ washing methods in response to our customers' new product offerings or if we are unable to invest in new technology to develop such new washing methods, all these may have a material adverse effect on our operating results and financial condition as our customers may decrease orders or we may even lose business to our competitors who can offer such new services.

(iii) Our operating results depend on optimising overall quality and costs of new and established services

Our operating results could be adversely affected due to loss of orders and hence adversely affect our Group's financial performance, if we fail to:

- maintain overall quality of our services in terms of meeting the cleanliness as stipulated by our customers;
- meet the delivery schedules as required by our customers;
- maintain competitive cost structures, in terms of cost per unit of object cleaned, taking into account the cost of production inputs, such as labour, electricity, water, etc. for our services;
- develop and qualify the precision cleaning system for specific objects; and/ or
- meet the requirements of our customers on their continuous quality assurance/ quality control audit in order to maintain our qualification to render services.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

6.1.3 Risks relating to our Group's property development and construction business

(i) Operational/ Business risks

In October 2018, our Company obtained our shareholders' approval for the diversification of the principal activities of our Group to include property development and construction business. Notwithstanding the foregoing, there is no revenue contribution from the property development and construction business.

On 17 May 2019, our wholly-owned subsidiary, D'nonce Properties Sdn Bhd ("**DPSB**") entered into a joint venture agreement ("**JV Agreement**") with Fajar Simfoni Sdn Bhd ("**FSSB**"), a wholly-owned subsidiary of OCR Group Berhad for both parties to jointly develop the Subject Land into a block of 19-storey (281 units) affordable apartment and a block of 7-storey car park podium. FSSB was to, amongst others, undertake the development at its own cost and expense, in accordance with the JV Agreement. The JV Agreement was subsequently terminated on 10 March 2020.

In March 2020, the Government of Malaysia imposed MCOs to reduce and control the spread of COVID-19 in Malaysia. After the termination of the JV Agreement and taking into consideration the market conditions of the property development and construction industry which was impacted by COVID-19 and MCOs, our Board decided to temporarily halt the plan to undertake the development of the Subject Land. Thus, the company applied for renewals of the planning permission for the deferment of the development which Majlis Perbandaran Seberang Perai approved until 1 July 2024. As at the LPD, the company is still in the midst of evaluating the market conditions to determine an appropriate time to undertake the development of the Subject Land in light of the gradual economic recovery from the COVID-19 pandemic and there is no assurance that our Group is able to derive revenue from this segment in FYE 31 March 2024 and FYE 31 March 2025.

Nevertheless, should our Group commence with the development of the Subject Land or undertake any property development and/ or construction activities, our Group will be subject to inherent risks faced by construction players and property developers of which our Group has not been exposed to previously. Such risks may include, amongst others, adverse changes in real estate market prices, new supply of residential properties in the surrounding area of the Subject Land, changes in demand for the type of residential properties, competition from other property developers and construction players, performance of third-party subcontractors, fluctuation in costs of labour charges and construction/ building material prices, and the overall economic conditions that could have an impact on the purchasing power and buying sentiments of property buyers.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

Our Group will also face competition from the existing players. Such risks and challenges include the inability to procure reasonable cost price for lower quantities than the existing players. Nevertheless, our Group shall endeavour to keep abreast with the latest development and regulatory framework within which the property development and construction industries operate and general economic conditions to enable our Board to take appropriate measures it deems fit to mitigate such risks. Furthermore, our Group will seek to limit these risks by conducting thorough market research, implementing prudent business strategies and to review our pricing strategy to ensure that the units of properties pursuant to the property development are competitively priced as well as engaging the services of professionals and contractors with proven track records. However, there can be no assurance that any material changes to the abovementioned risks arising from this business segment, which are beyond the control of our Board, will not have any material adverse effect on our Group.

6.2 Risks relating to the Rights Issue

(i) Failure or delay in the completion of the Rights Issue

The Rights Issue may be terminated or delayed in the event of a material adverse change of events or circumstances (such as force majeure events including without limitation, natural disasters including without limitation the occurrence of a floods and/ or landslides, strikes, declaration of a state of emergency or accidents, or any change in law, regulation, policy or ruling), which is beyond the control of our Group and the Principal Adviser, arising prior to the completion of the Rights Issue.

There can be no assurance that the abovementioned factors or events will not cause a failure or delay in the completion of the Rights Issue. In the event the Rights Shares with Warrants have been allotted to the successful Entitled Shareholders and/ or their renouncee(s) and/ or their transferee(s), if applicable, and the Rights Issue is subsequently cancelled or terminated other than due to a stop order issued by the SC pursuant to Section 245 of the CMSA, a return of monies to the successful applicants can only be achieved by way of cancellation of share capital under the Act.

Such cancellation may require the approval of the Shareholders by way of a special resolution in a general meeting, consent of our Company's creditors (where applicable) and either the confirmation of the High Court of Malaya or a solvency statement by our Board. There can be no assurance that such monies can be returned within a short period of time under such circumstances.

In the event the Rights Issue cannot be implemented or completed for any reason, our Company will undertake the necessary procedures to ensure the refund of monies is made in full without interest in respect of any application for the subscription of the Rights Shares including the Excess Rights Shares with Warrants within 14 days after our Company becomes liable to do so, in accordance with the relevant provisions of the CMSA. If such monies are not repaid within 14 days after our Company becomes liable to do so, our Company will repay such monies in accordance with Section 245(7) of the CMSA.

(ii) Capital market risk

The market price of the new securities arising from the Rights Issue, like all listed securities traded on Bursa Securities, is subject to fluctuation. The respective price of our Company's securities is influenced by, amongst others, the prevailing market sentiments, the volatility of the stock market, movements in interest rates and the outlook of the industry in which our Company operates in.

In view of the foregoing, there can be no assurance that the Shares will trade at or above the TEAP disclosed in **Section 2.2** of this Abridged Prospectus after the completion of the Rights Issue.

The Warrants are new instruments issued by our Company. Therefore, there can be no assurance that an active market for the Warrants will develop upon listing on Bursa Securities, or if developed, will be sustainable. In addition, there is no assurance that the Warrants will be "in-the-money" during the Exercise Period.

Accordingly, there is no assurance that the market price of the Warrants will be at a level that meets the specific investment objectives or targets of any subscriber of the Warrants.

(iii) Potential dilution

The Entitled Shareholders who do not or are not able to subscribe for their entitlement of Rights Issue will have their proportionate ownership and voting interest in our Company reduced and the percentage of our Company enlarged issued share capital represented by their shareholding in our Company will also be reduced accordingly as a result of the issuance of the Rights Shares and the new Shares to be issued upon the exercise of the Warrants. Consequently, their proportionate entitlement to any dividends, rights, allotments and/ or other distributions that our Company may declare, make or pay after completion of the Rights Issue will correspondingly be diluted.

(iv) Forward-looking statements

Certain statements in this Abridged Prospectus are based on historical information, which may not be reflective of the future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements contained in this Abridged Prospectus are based on assumptions made by our Company, unless stated otherwise. Although our Board believes that these forward-looking statements are reasonable, the statements are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. In view of the above, the inclusion of any forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

7 INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS

Based on our Company's latest annual report for the FYE 31 March 2023, our Group's revenue was primarily derived from geographical markets in Thailand and Malaysia contributing 45.64% and 45.14% to our Group's revenue. Other countries (including Singapore, Denmark, Indonesia, United States of America, Europe, Vietnam and People's Republic of China ("**China**")) collectively contributed the remaining 9.22% to our Group's revenue for the FYE 31 March 2023. As such, our Company has set out below the overview and outlook of Thailand and Malaysia.

In addition, our Group's reportable segments by our customers' industries are as set out below:

No.	Reportable segments by customers' industries	Description
(i)	E&E	End-to-end packaging and design solutions, precision polymer engineering services, cleanroom services and contract manufacturing primarily supporting customers in the E&E industry.
(ii)	Healthcare	End-to-end packaging and design solutions primarily supporting customers in the healthcare industry. (comprising mainly glove manufacturers and to a lesser extent, pharmaceutical companies).
(iii)	Other industries	End-to-end packaging and design solutions and supply of goods and services primarily supporting customers in the automotive, food and beverage and other manufacturing industries.

In view of the above and taking into consideration the diversification into property development and construction business by our Group in 2018, our Company has also set out below the overview and outlook of E&E sector, precision cleaning services industry, glove industry, manufacturing sector and property development and construction sector.

7.1 Overview and outlook of the economy in Thailand, Malaysia and the global economy

<u>Thailand economy</u>

Gross Domestic Product ("**GDP**") in third quarter ("**Q3**") of 2023 rose by 1.5%, decelerated from an increase of 1.8% in second quarter ("**Q2**") of 2023. The deceleration was mainly due to a slowdown of the exports from a decrease of merchandised exports. However, service receipts still expanded from growing number of foreign tourists. Government expenditure continually contracted, resulting from high level of healthcare spending in 2022 relating to COVID-19. In contrast, private final consumption expenditure consecutively expanded, while gross fixed capital formation accelerated. As a result, Thai economy in nine months of 2023 increased by 1.9%.

(Source: Gross Domestic Product: Q3/2023, Office of the National Economic and Social Development Council)

The Thai economy in 2023 is projected to expand by 2.5%, continuing from a 2.6% growth in 2022. Headline inflation is estimated to be at 1.4% and the current account is projected to record a surplus of 1.0% of GDP.

The Thai economy in 2024 is projected to expand in the range of 2.7% - 3.7% (with the midpoint projection of 3.2%). Key supporting factors include the return-to-expansion of exports; the favorable growth of private consumption and investment; and the continual recovery of tourism sector.

(Source: Thai Economic Performance in Q3 of 2023 and the Outlook for 2023 - 2024, Office of the National Economic and Social Development Council)

Malaysia economy

The Malaysian economy expanded by 3.3% in Q3 of 2023 (Q2 of 2023:2.9%). Growth was anchored by resilient domestic demand. Household spending remained supported by continued growth in employment and wages. Meanwhile, investment activity was underpinned by the progress of multi-year projects and capacity expansion by firms. Exports remained soft amid prolonged weakness in external demand. This, however, was partially offset by the recovery in inbound tourism. On the supply side, the services, construction and agriculture sectors remained supportive of growth. This was partly offset by the decline in production in the manufacturing sector given the weakness in demand for electrical and electronic (E&E) products and lower production of refined petroleum products. On a quarter-on-quarter seasonally adjusted basis, the economy grew by 2.6% (Q2 of 2023:1.5%). Overall, the Malaysian economy expanded by 3.9% in the first three quarters of 2023.

Despite the challenging global environment, the Malaysian economy is projected to expand by around 4% in 2023 and 4% - 5% in 2024. Growth will continue to be driven by the expansion in domestic demand amid steady employment and income prospects, particularly in domestic-oriented sectors. This growth performance along with other favourable economic developments would provide support to the ringgit.

Improvements in tourist arrivals and spending are expected to continue. Investment will be supported by further progress of multi-year infrastructure projects and the implementation of catalytic initiatives. Measures under Budget 2024 will also provide additional impetus to economic activity. The growth outlook remains subject to downside risks stemming primarily from weaker-than-expected external demand as well as larger and more protracted declines in commodity production. However, there are upside risk factors such as stronger-than-expected tourism activity, a stronger recovery from the E&E downcycle, and faster implementation of existing and new investment projects.

(Source: Economic and Financial Developments in Malaysia in the Third Quarter of 2023, Bank Negara Malaysia)

Global economy

The global economy is projected to grow by 3% in 2024 as a result of moderate growth in both advanced economies and emerging and developing economies' ("**EMDEs**"). Advanced economies' growth is expected to moderate further to 1.4%, which will continue to weigh down the global growth. The US's GDP is anticipated to grow at a slower pace by 1% amid continuous monetary policy tightening. Meanwhile, growth in the euro area is expected to expand slightly to 1.5% supported by stronger services and tourism activities. The EMDEs' growth is projected to expand by 4.1% with China's economy is forecast to moderate to 4.5%, underpinned by continuous lower investment and bearish labour market. Meanwhile, the economy of India is expected to grow by 6.3%, mainly contributed by continuous domestic investment. The ASEAN-5's growth is forecast to moderate to 4.5%.

(Source: Economic Outlook 2024, Macroeconomic Outlook, Ministry of Finance Malaysia)

7.2 Overview and outlook of the E&E sector

Thailand

Thailand is one of Asia's key countries for the manufacture of E&E components and products. The Board of Investment ("**BOI**") in Thailand is an agency of the government of Thailand under the office of the Prime Minister that helps to promote direct investments in the country.

Thailand's new Five-Year Investment Promotion Strategy (2023 – 2027) announced by the BOI in October 2022, came into effect in January 2023. Under the new promotion strategy, the Thai economy will focus on three core aspects deemed essential for its progress, namely (i) innovation, technology, and creativity, (ii) competitiveness, the ability to adapt quickly and generate high growth, and (iii) inclusiveness, (environmental and social sustainability). This includes the provision of a variety of tax incentives, import duty exemptions and other benefits for various industries identified to be eligible for investment promotion such as the E&E, medical, biotechnology and automotive industries, amongst others. For businesses involved in the E&E industry utilising high technology, tax incentives granted include corporate tax exemption for up to 13 years as well as machinery and raw or essential materials import duty exemption incentives.

The E&E industry is expected to continue its positive growth trajectory on the back of the manufacturing of, and export growth for electronic integrated circuits ("**ICs**") for cloud computing and data centres, automobiles, smartphones and personal computers and laptops, amongst others.

(Source: IMR Report)

Malaysia

The Malaysian government promotes the E&E industry as one of the key pillars of economic growth. Malaysia External Trade Development Corporation ("**MATRADE**") collaborates with other government agencies, professional bodies and associations such as the Ministry of Investment, Trade and Industry ("**MITI**"), the Malaysian Investment Development Authority ("**MIDA**"), the Malaysia Semiconductor Industry Association ("**MSIA**"), etc to promote the E&E industry.

Under the New Industrial Master Plan 2023 ("**NIMP 2023**"), Malaysia's manufacturing GDP is expected to grow 6.5% annually until 2030 to achieve a contribution of RM587.5 billion to total GDP in 2030. The growth is expected to come from high-impact growth industries such as E&E, electric vehicle, aerospace, pharmaceutical and advanced materials. The E&E industry is identified as a key industry that can boost Malaysia's exports and help ensure Malaysia remains resilient amidst a growing competitive global environment. The focus of the NIMP 2023 for the E&E industry are on the areas of IC design, wafer fabrication, research and development ("**R&D**") design, and advanced semiconductor packaging.

(Source: IMR Report)

The E&E industry in Malaysia is the catalytic sector that cuts across various other industries and has been a major contributor to the manufacturing sector. In 2020, the E&E industry contributed 6.4% to GDP, valued at RM86.1 billion. From 2016 to 2020, the E&E industry grew at 5.6% per annum, slightly higher than the manufacturing sector growth of 3.3% per annum. In addition, the E&E subsector dominated the country's exports with total exports share accounting to 45.6% or RM386.1 billion in 2020. A total of 577 E&E projects with investments of RM71.4 billion were approved between 2016 and 2020.

During the Twelfth Malaysia Plan 2021-2025 ("**12MP**"), the E&E industry players will be encouraged to adopt advanced technologies and produce more sophisticated products, resulting in higher productivity and growth. The E&E industry needs to be repositioned by boosting investments in high value activities such as design and development ("**D&D**") and front-end manufacturing. In this regard, efforts will be focused on strengthening manufacturing ecosystems, promoting new technology adoption, uplifting the development of talent as well as enhancing R&D and D&D activities. By 2025, the E&E industry is targeted to contribute RM120 billion to GDP and generate RM495 billion in export earnings.

(Source: Twelfth Malaysia Plan 2021-2025, A Prosperous, Inclusive, Sustainable Malaysia, Economic Planning Unit)

7.3 Overview and outlook of the precision cleaning services industry

The precision cleaning services industry is a supporting industry for the E&E industry. Our Group is involved in the provision of ultrasonic precision cleaning services to the E&E industry.

Precision cleaning is the process of thoroughly cleaning components, devices, or equipment up to a microscopic level by removing contaminants and particles such as dirt, fibre, dust, grease, and oil, to achieve a high standard of cleanliness. It is performed with reference to a pre-defined standard or to a customer's specifications.

Surface contamination is one of the main quality issues that impact miniature electrical, optical, and mechanical systems. The method of precision cleaning will be determined by a variety of factors such as type and geometry of workpiece, type and degree of contamination, processing state, and the degree of cleanliness the customer requires.

Precision cleaning services are critical to industries such as E&E, healthcare, medical devices, aerospace, and defence. The presence of contaminants, even at microscopic levels, can impact the quality, safety and performance of the components, devices, or equipment.

The precision cleaning services industry by type, is broadly segmented into:

- aqueous cleaning - uses a cleaning solution with deionised, or reverse osmosis water and detergents, surfactants, and emulsifiers, combined with heat, agitation, and time (long immersion) processes to remove microscopic contaminants from the equipment part.

- solvent cleaning - uses the chemical properties of a solvent to remove contaminants from the surface of an equipment part.

- ultrasonic cleaning - utilises high frequency sound waves to agitate the chemical solution and produce an effect called cavitation, small bubbles of vaporised liquid that implode on contact and create high pressure shockwaves, to dislodge microscopic contaminants from an equipment part.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

Thailand

The precision cleaning services industry for the E&E industry grew by 13.0% to attain a market size of THB606.4 million in 2022 from THB536.8 million in 2021. It is estimated to increase by 2.9% to reach THB623.9 million in 2023 and is projected to increase by 4.0% and 4.5% to reach THB649.0 million in 2024 and THB678.2 million in 2025 respectively.

The ultrasonic precision cleaning services for the E&E industry grew by 13.2% to reach a market size of THB213.3 million in 2022 from THB188.4 million in 2021. It is estimated to increase by 3.1% to reach THB219.9 million in 2023 and is projected to increase by 4.1% and 4.6% to reach THB229.0 million in 2024 and THB239.4 million in 2025 respectively.

Malaysia

The precision cleaning services industry for the E&E industry grew by 9.5% to attain a market size of RM45.2 million in 2022 from RM41.3 million in 2021. It is estimated to increase by 6.8% to reach RM48.2 million in 2023 and is projected to increase by 3.7% and 3.8% to reach RM50.0 million in 2024 and RM51.9 million in 2025 respectively.

The ultrasonic precision cleaning services for the E&E industry grew by 9.6% to reach a market size of RM15.9 million in 2022 from RM14.5 million in 2021. It is estimated to increase by 7.1% to reach RM17.1 million in 2023 and is projected to increase by 4.0% and 3.9% to reach RM17.7 million in 2024 and RM18.4 million in 2025 respectively.

The precision cleaning services industry is a supporting industry for the E&E industry. Therefore, the growth of the precision cleaning services industry is directly correlated to the growth of the E&E industry. The prospects for the precision cleaning industry are expected to be positive as precision cleaning industry players are expected to benefit from the growth in E&E exports as well as domestic investments and FDI in the E&E industry in Malaysia and Thailand.

(Source: IMR Report)

7.4 Overview and outlook of the rubber gloves industry

According to Malaysian Rubber Glove Manufacturers Association ("**MARGMA**"), the global demand for rubber gloves is expected to decline to 300 billion pieces in 2023 from 399 billion pieces in 2022. The global demand for rubber gloves has receded from the height of the COVID-19 pandemic in 2021. MARGMA projects an annual growth of 12%-15% in global demand for rubber gloves from 2023. The rubber glove industry is experiencing a temporary oversupply situation as weaker global demand has distorted the demand-supply equilibrium, but MARGMA expects demand to normalise to pre-pandemic levels in 2023 as the excess supply is gradually being absorbed by global market demand.

Thailand

In 2022, Thailand is the world's largest natural rubber producer and exporter. According to the Thai Rubber Glove Manufacturers Association ("**TRAGMA**"), Thailand's export of rubber gloves, in quantity terms, declined 6.8% to 45.9 billion pieces in 2022 from 49.3 billion pieces in 2021. From January to June 2023, Thailand exported 22.7 billion pieces of rubber gloves.

Malaysia

In 2022, Malaysia recorded RM19.0 billion in export value for gloves (2021: RM54.8 billion) as compared to RM17.6 billion in 2019. From January to September 2023, Malaysia reported approximately RM8.9 billion in export value for gloves.

In 2022, Malaysia is the largest rubber gloves producer and exporter in the world. In 2022, Malaysia produced 171.1 billion pieces of rubber gloves, a decline of 37.5% or 102.5 billion pieces from 273.6 billion in 2021 as the industry continued to experience weaker global demand. From January to September 2023, Malaysia produced 106.2 billion pieces of rubber gloves. The industry is promoted by the government through investment tax allowances, automation grants, various incentives from the Malaysian Rubber Council, etc and has good infrastructure (e.g., sufficient electricity and gas, logistics, etc). It has also an established base of manufacturing companies and supplier firms, rubber glove machineries and rubber glove production technologies.

(Source: IMR Report)

7.5 Overview and outlook of the manufacturing sector

Thailand

Manufacturing sector continued to decline for the fourth consecutive quarter by 4.0%, continuing from a 3.2% contraction in the previous quarter. This was partly due to a high base effect from the previous year, as well as a decline in production of all types of industries, especially export-oriented industries following slowdown in major trading partners. This is in accordance with a 6.2% drop in the Manufacturing Production Index. Categorically, the Manufacturing Production Index of export-oriented industries (with export share of more than 60% to total production) dropped for the seventh consecutive quarter by 14.7%, while manufacturing production index of the industries with 30% - 60% export share to total production shrunk for the second consecutive quarter by 6.5%. Correspondingly, Manufacturing Production Index of the domestic-oriented industries (with export share of less than 30% to total production) has consecutively decreased for fourth quarters by 1.0%.

Meanwhile, the average capacity utilisation rate for this quarter was at 58.01% which was higher than 57.64% in the previous quarter yet lower than 62.76% in the same quarter of the previous year. Manufacturing Production Index with negative growth included computer and peripheral equipment (-29.0%), electronic components and circuits (-14.9%), and motor vehicles (-5.1%). On the other hand, Manufacturing Production Index with positive growth included sugar (36.6%), other electronic and electric wires and cables (22.3%), and plastics and synthetic rubber in primary forms (3.2%). For the first nine months of 2023, manufacturing sector fell by 3.4% comparing with a 2.3% expansion in the same period of previous year, while the average capacity utilisation rate stood at 59.83%, comparing with 63.57% in the same period of previous year.

(Source: Thai Economic Performance in Q3 of 2023 and the Outlook for 2023 - 2024, Office of the National Economic and Social Development Council)

Malaysia

The manufacturing sector grew by 1.7% during the first half of 2023 underpinned by resilient domestic-oriented industries amid sluggish external demand. The domestic-oriented industries' steady growth of 4.4% was backed by increasing demand for consumer goods and construction-related segments. Meanwhile, export-oriented industries expanded marginally by 0.5% weighed down by the lower production of E&E due to cyclical downturn in global semiconductor industry.

The sector Is forecast to grow by 1.2% in the second half of the year with domestic-oriented industries remain as the mainstay of growth. All segments are projected to expand particularly food and beverages, as well as transport equipment. These segments will benefit from the strengthening of tourism activities and increasing demand for passenger cars and related motor parts and accessories. In addition, anticipated acceleration and realisation of projects in the construction sector will increase the demand for metal-related segments. Meanwhile, within the export-oriented industries, the E&E segment is expected to pivot away from the downcycle trend, in line with gradual improvements in global demand especially for computing devices, electronics and semiconductors as well as growing domestic demand for industrial electronics, electric vehicles (EV) and medical technology devices. Furthermore, the demand for chemicals segment is expected to increase in line with the bottom out of E&E downcycle. Hence, the manufacturing sector is anticipated to register a modest growth of 1.4% in 2023.

The manufacturing sector is forecast to expand by 4.2% in 2024 driven by better performance in both export and domestic-oriented industries. The export-oriented industries are expected to benefit from the recovery of external demand with E&E segment projected to surge, primarily driven by memory products. This is in line with the rebound in demand for technologically advanced products. Similarly, domestic-oriented industries are anticipated to grow steadily backed by higher output in transport and construction-related segments, in tandem with better consumer spending and business activities. In addition, the implementation of initiatives under the Chemical Industry Roadmap 2030, National Energy Transition Roadmap (NETR) and New Industrial Master Plan (NIMP) 2030 will further strengthen the sector’s growth.

(Source: Economic Outlook 2024, Macroeconomic Outlook, Ministry of Finance Malaysia)

7.6 Overview and outlook of the thermoformed plastics packaging industry and the plastic injection moulding industry

7.6.1 Thermoformed plastics packaging industry

Our Group is involved in, amongst others, the provision of thermoformed plastics packaging products to E&E industry players. Thermoforming is one of the widely used processes in the plastics industry for producing plastic packaging along with blow-moulding, injection moulding and extrusion processes.

Thailand

Thailand’s E&E application market segment for thermoformed plastic packaging grew by 13.0% to attain a market size of THB5,566.5 million in 2022 from THB4,926.8 million in 2021. It is estimated to increase by 2.8% to reach THB5,724.4 million in 2023 and is projected to increase by 4.0% and 4.4% to reach THB5,950.6 million and THB6,211.6 million in 2024 and 2025 respectively.

Malaysia

The Malaysian E&E application market segment for thermoformed plastic packaging grew by 9.0% to attain a market size of RM637.5 million in 2022 from RM584.8 million in 2021. It is estimated to increase by 6.9% to reach RM681.4 million in 2023 and is projected to increase by 3.5% and 3.8% to reach RM705.1 million in 2024 and RM732.0 million in 2025 respectively.

(Source: IMR Report)

7.6.2 Plastic injection moulding industry

Our Group is involved in, amongst others, the provision of injection moulded packaging trays for E&E industry players and as such the market size and forecast for the E&E application market are set out below. Plastic injection moulding is commonly used in high volume manufacturing processes where the same component or part is being produced many times in succession. The manufacture of injection moulded plastic components, parts and products are mostly automated where robotic systems are employed to execute various activities such as loading, finishing and assembling.

Thailand

In Thailand, the E&E application market segment for plastic injection moulding grew by 14.6% to attain a market size of THB85,261.9 million in 2022 from THB74,418.4 million in 2021. It is estimated to increase by 3.7% to reach THB88,441.7 million in 2023 and is projected to increase by 4.5% and 4.6% to reach THB92,442.2 million in 2024 and THB96,716.8 million in 2025 respectively.

Malaysia

The Malaysian E&E application market segment for plastic injection moulding grew by 12.3% to attain a market size of RM3,365.8 million in 2022 from RM2,996.4 million in 2021. It is estimated to increase by 9.5% to reach RM3,685.0 million in 2023 and is projected to increase by 5.7% and 5.9% to reach RM3,894.8 million in 2024 and RM4,122.8 million in 2025 respectively.

The prospects for the thermoformed plastics packaging and plastic injection moulding industry are expected to be positive given the growth in E&E exports and investments in the E&E industry in Malaysia and Thailand. Key factors driving the growth of the thermoformed plastics packaging industry and the plastic injection moulding industry in relation to the E&E industry are:

(i) Growth in all major end-user markets, including the E&E market

In the E&E industry, the thermoformed plastic packaging products and plastic injection moulded packaging products are used for the manufacturing, protection, and handling, transportation and storage of electronic components and parts, to safeguard against damage.

The Malaysian E&E industry accounted for RM593.5 billion of Malaysia's total exports in 2022, up 30.2% from RM455.7 billion in the previous year, led by the sale of electronic ICs, which accounted for an estimated RM301.7 billion or 50.8% of total E&E exports. The Malaysian E&E industry reported RM529.4 billion worth of exports for the period of January to November 2023, accounting for approximately 40.5% of Malaysia's total exports of RM1,307.6 billion during the same period. Exports recorded by the E&E industry in 2022 exceeded the Malaysian government's 12MP export value projection of RM495 billion for 2025, three years ahead of schedule. There is no forecast for Malaysia's exports for the E&E industry. The demand for thermoformed plastics for packaging from the E&E industry are mainly from the areas of outsourced semiconductor assembly and test ("**OSAT**") (semiconductor devices, electronic ICs, etc), automated test equipment ("**ATE**") and electronic manufacturing services ("**EMS**"). DTB Group manufactures electrostatic discharge-based thermoformed electronics packaging that protect sensitive electronics for the E&E industry including the OSAT, ATE and EMS sectors.

Thailand's E&E exports in 2022 reached THB2,103.6 billion, up 13.8% from THB1,848.6 billion in 2021. Thailand's major electronics export products are computer parts and accessories (including Hard Disk Drives ("**HDDs**")) and electronic ICs and parts, which accounted for an estimated THB491.7 billion or 23.4%, and THB323.6 billion or 15.4% respectively of total E&E exports in 2022.

Thailand's major electrical export products are parts of electrical appliances and air conditioning machines, which accounted for an estimated THB234.3 billion or 11.1%, and THB215.8 billion or 10.3% respectively of total E&E exports in 2022.

During the period from January to September 2023, Thailand's E&E exports amounted to THB1,549.6 billion, of which computer parts and accessories and electronic ICs and parts accounted for an estimated THB275.3 billion or 17.8% and THB253.0 billion or 16.3% respectively of total E&E exports. Thailand's major electrical export products comprising electrical appliances and air conditioning machines, accounted for an estimated THB225.2 billion or 14.5%, and THB153.4 billion or 9.9% respectively of total E&E exports during the period from January to September 2023. There is no forecast for Thailand's exports for the E&E industry.

(ii) High investments in the E&E industry reflect strong demand for electronic devices and parts

The Malaysian manufacturing sector recorded RM84.3 billion in 2022 in approved domestic investment and foreign direct investment ("**FDI**") of which the E&E industry accounted for 34.8% or RM29.3 billion worth of approved investments. During the period from January to September 2023, the manufacturing sector reported RM99.8 billion in approved investments, accounting for 44.4% of total approved investments across all sectors. The E&E industry accounted for approximately 61.8% or RM61.7 billion worth of approved domestic investment and FDI. Approved investments for the Malaysian E&E industry include the manufacturing of LED-based products, sub-assembly devices (such as panels, systems and modules) and semiconductor devices (such as chips, power modules and controller modules).

These investments augur well for the E&E industry as they facilitate its advancements in research and development, design and development, and technological capabilities, as well as growing a large skilled human resources base, amongst others. Additional investments in the E&E industry are also seen as positive for companies operating in the E&E supporting industry.

According to Thailand's BOI, in 2022, Thailand recorded domestic investment and FDI applications worth THB664.6 billion, up 38.8% from THB478.9 billion in 2021, led by investments in the E&E industry with THB129.5 billion.

During the period from January to September 2023, Thailand recorded domestic and FDI applications worth THB516.8 billion, with the E&E industry leading with 171 investment applications worth THB208.2 billion in investment value reflecting the increasing confidence of foreign investors in Thailand's investment ecosystem. The increase in domestic and FDI applications also reflects business strategies undertaken by manufacturers to relocate their supply chain to diversify their manufacturing risk as well as investors' confidence in Thailand as a production base.

For example, according to the Taiwan Printed Circuit Association, the Taiwanese PCB industry is increasingly investing in Southeast Asian countries, particularly Thailand, as customers look to secure their manufacturing bases against global uncertainties and move out of the People's Republic of China ("**PRC**"). Taiwan-based PCB manufacturer Unimicron Technology Corporation is expected to invest THB1.26 billion to establish a subsidiary in Thailand as part of a long-term investment. Other Taiwanese PCB supply chain players expanding in Thailand include Compeq Manufacturing Co. Ltd., Dynamic Holding Co. and ITEQ Corporation.

According to the BOI, the China Printed Circuit Association, which has 800 members, also aims to make Thailand its new electronic equipment manufacturing base to avert any potential adverse impacts that may arise from the ongoing US-China trade war as well as the increasing tensions between the PRC and Taiwan. PCB manufacturers from the PRC, Aoshikang Technology Company and WUS Printed Circuit (Kunshan) Co. Ltd., are planning to invest around THB12 billion in Thailand.

Thailand plans to make the country a regional electric vehicle ("**EV**") production centre and for EVs to constitute 30% of locally made vehicles by 2030, further driving investments in its E&E industry. Chinese EV makers Great Wall Motor Co. Ltd and SAIC Motor Corporation Limited, which owns the MG car brand, have set up factories in Thailand. BYD Company, owner of the BYD car brand, is also expected to set up its factory in Thailand, after having its application approved by the BOI in 2023.

(iii) Malaysian E&E industry a key pillar to economic growth, expects to contribute RM120 billion to GDP by 2025

Under the Mid-Term Review of the 12MP, the Malaysian government identified the E&E industry as a strategic high growth high value industry that is key to Malaysia's economic growth. The Government emphasised on accelerating the E&E industry's development by moving up the value chain through strengthening the front-end manufacturing ecosystem, prioritising higher value-added activities in IC design, engineering design and wafer fabrication, and attracting further quality investments in advanced technology.

Malaysia's manufacturing sales value for E&E products grew to RM578.0 billion in 2022, an increase of 19.6% from RM483.2 billion in 2021. The manufacturing sales value for E&E products accounted for 31.1% and 32.1% of Malaysia's total manufacturing sales of RM1,554.7 billion and RM1,800.7 billion in 2021 and 2022 respectively. During the period from January to September 2023, Malaysia's manufacturing sales value for E&E products amounted to RM451.2 billion, accounting for 33.6% of Malaysia's total manufacturing sales of RM1,342.5 billion.

By 2025, the Malaysian government targets to have the E&E industry contribute RM120 billion to GDP. Among the strategies to boost the E&E industry are to promote the utilisation of greater automation and advanced technology, accelerate the adoption of Industrial Revolution 4.0 innovations and technologies, develop talents, and enhance research and development and design and development capabilities.

Moving forward, continued investments in the E&E industry is expected to drive the demand for thermoformed plastics packaging and plastic injection moulded packaging. The market for E&E products is anticipated to be robust as e-commerce, online shopping and smart devices have become an integral part of a person's life and the increasing digitisation in many aspects of the economy and society.

(Source: IMR Report)

7.7 Overview and outlook of the paper and paperboard packaging industry

Thailand

In Thailand, the paper packaging for the gloves application market grew by 12.7% to attain a market size of THB5,498.6 million in 2022 from THB4,877.2 million in 2021. It is estimated to increase by 2.5% to reach THB5,638.5 million in 2023 and is projected to increase by 3.5% and 3.8% to reach THB5,836.1 million in 2024 and THB6,056.4 million in 2025 respectively.

Malaysia

The Malaysian paper packaging for the gloves application market grew by 9.1% to attain a market size of RM268.4 million in 2022 from RM246.1 million in 2021. It is estimated to increase by 6.7% to reach RM286.5 million in 2023 and is projected to increase by 3.2% and 3.5% to reach RM295.7 million in 2024 and RM305.9 million in 2025 respectively.

DTB Group is involved in the provision of paper packaging solutions for, among others, glove industry players. The COVID-19 pandemic has created unprecedented worldwide demand for rubber gloves across multiple industries. Despite the introduction of various COVID-19 vaccines and recovery from COVID-19, rubber gloves are still mandatory in the medical and healthcare industries as rubber gloves are one part of an infection-control strategy.

Rubber gloves are a crucial part of maintaining hygiene and facilitating precautionary measures against infectious diseases. Hygiene awareness among non-healthcare industries such as airlines, hotels, personal care and beauty, and food and beverages, would also continue to drive the demand for rubber gloves.

(Source: IMR Report)

7.8 Overview and outlook of the self-adhesive label industry

Thailand

The self-adhesive label industry in Thailand grew by 13.7% to attain a market size of THB265,693.7 million in 2022 from THB233,720.0 million in 2021. It is estimated to increase by 3.7% to reach THB275,524.4 million in 2023 and is projected to increase by 5.0% and 5.5% to reach THB289,210.8 million and THB305,218.3 million in 2024 and 2025 respectively.

The self-adhesive industry in Thailand is a very fragmented market with many participating manufacturers, including Shrinkflex (Thailand) Public Company Limited, Salee Printing Public Company Limited, PMC Label Materials Co., Ltd., Oji Label (Thailand) Ltd., Fuji Seal Packaging (Thailand) Co., Ltd., Multi-Color (Thailand) Co., Ltd., Thai KK Industry Co. Ltd., Lintec (Thailand) Co. Ltd., Avery Dennison (Thailand) Ltd., UPM-Raflatac Co. Ltd., CCL Industries (Thai) Ltd., SATO Auto-ID Thailand Co. Ltd., A.S.T. Clean Label Co. Ltd., Thai Seiko Printing Co. Ltd., SIAM STICKER TRADING Co. Ltd., etc.

Notwithstanding the relatively high level of competition in the market, the prospect of the self-adhesive industry is expected to be encouraging on the back of its major application markets and Thailand's major export-oriented industries. The self-adhesive label industry is a key supporting industry for many industries in Thailand. The major application markets for the self-adhesive label industry are F&B, consumer goods, pharmaceuticals, automotive, personal care, and household goods, coupled with Thailand's major export-oriented industries such as F&B, electronics, electrical appliances, and automotive. Therefore, the future growth of the self-adhesive label industry is directly correlated to the growth of its major application markets, in addition to Thailand's major export-oriented industries. Most products today have labels for marketing and advertising purposes as well as displaying essential information of the products.

The prospect for the self-adhesive label industry is also expected to be encouraging as industry players are expected to benefit from, amongst others, the rising urban population and per capital income in Thailand, continuous foreign and direct domestic investments into the agriculture and food processing industries, as well as the country's growing Internet economy encompassing e-commerce, online shopping and smart devices which have become an integral part of a person's life and society.

(Source: IMR Report)

7.9 Overview and outlook of the property development and construction sector

The Malaysian economy expanded moderately by 2.9% in Q2 2023 (Q1 2023: 5.6%), weighed mainly by slower external demand. Domestic demand remained the key driver of growth, supported by private consumption and investment. The growth which supported by continued improvement in labour market conditions, continued increase in household spending and higher tourism activities offset the slower goods export growth. Growth during the quarter was also affected by the high base effect in the second quarter of 2022 when economy experienced strong growth from reopening effects and policy measures.

Despite the challenging global financial and economic environment, the property market managed to stay poised and posted a marginal softening in market activity in the first half of 2023 (H1 2023) compared to the same period last year (H1 2022).

Property market activity recorded a total of 184,140 transactions worth RM85.37 billion in H1 2023, down by 2.1% in volume but increased slightly by 1.1% in value against H1 2022. From the total transactions, 32.1% (59,090) and 63.6% (117,129) were transfers dated in 2022 and 2023 respectively while the remaining percentage share was for prior years' transfers.

Sectoral market activity performance declined marginally: residential (-1.0%), industrial (-2.5%) and agriculture (-12.4%) with the exception of commercial and development land sub-sector, which increased by 16.0% and 1.4% respectively.

In terms of value of transactions, residential and agriculture sub-sector recorded a decrease of 1.8% and 17.7% respectively, whereas commercial, industrial and development land sub-sector recorded otherwise, increased by 19.5%, 1.8% and 7.3% respectively.

The residential sub-sector led the overall property market, with 62.4% contribution. This was followed by agriculture sub-sector (19.8%), commercial (9.6%), development land and others (6.2%) and industrial (2.0%). In terms of value, residential took the lead with 52.5% share, followed by commercial (19.6%), industrial (12.8%), agriculture (8.3%) and development land and others (6.8%).

Malaysian House Price Index ("**MHPI**") continued to increase at a moderating trend. As at Q2 2023, the MHPI stood at 212.3 points, up by 2.2% on annual basis. However, the index points decreased by 1.6% against Q1 2023 (215.8 points). All states recorded positive annual growth against Q2 2022 except for Sarawak (-0.7%) and Terengganu (-0.1%). High-rise units recorded the highest annual growth of 5.4%, supported by the double digit increase in the Petaling area (Selangor). Terraced house and semi-detached recorded a growth of 2.0% and 0.2% respectively while detached recorded a slight decrease of 0.3%.

(Source: Property Market Report First Half 2023 – Valuation and Property Services Department, Ministry of Finance Malaysia)

The construction sector improved steadily by 6.8% in the first half of 2023 mainly driven by the civil engineering and special construction activities subsectors. The civil engineering subsector rebounded, supported by the acceleration of ongoing infrastructure and utilities projects, which include East Coast Rail Link (ECRL) and Large Scale Solar 4 projects. The non-residential buildings and residential buildings subsectors also registered positive growth in line with vibrant economic activities.

The sector is forecast to expand by 5.9% in the second half of the year supported by growth in all subsectors. The residential buildings subsector is anticipated to remain encouraging on the back of Government's initiatives such as i-MILIKI and Housing Credit Guarantee Scheme in assisting first-time home buyers, spurring demand for home ownership. Similarly, the non-residential buildings subsector is envisaged to increase, particularly with the realisation of approved private investments. The continuous implementation of strategic infrastructure and utilities projects will further support the civil engineering subsector. For the year, performance of the sector is expected to remain steady and grow by 6.3%.

The construction sector is forecast to increase by 6.8% in 2024 following better performance in all subsectors. Civil engineering subsector continues to be bolstered by strategic infrastructure and utilities projects which include ongoing projects such as the Central Spine Road (CSR), the Pan Borneo Sabah Highway and acceleration of projects under the 12MP. Furthermore, a new solar power plant project under the Corporate Green Power Programme will support the subsector's growth. The implementation of NIMP 2030 is expected to further strengthen the performance of non-residential buildings subsector as the Plan will provide a platform to attract more investments into the country. In addition, the residential buildings subsector is projected to improve further in line with the Government's effort to increase more affordable houses as outlined under the MTR of the 12MP and the MADANI Neighbourhood scheme, as well as new launching by the private sector.

(Source: Economic Outlook 2024, Macroeconomic Outlook, Ministry of Finance Malaysia)

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

7.10 Prospects and future plans of our Group

The COVID-19 pandemic has disrupted many business operations globally. Our Board believes that the global economy is gradually recovering from the COVID-19 pandemic, on the back of various government initiatives. Moving forward, our Group's main focus is to pursue sustainable growth.

Set out below is an overview of our Group's recent performance by range of services offered i.e., revenue and PBT or LBT for the latest FYE 31 March 2023.

	Audited FYE 31 March 2023	
Range of services	**RM'000**	**%**
Revenue		
End-to-end packaging and design solutions	95,614	54.68
Precision polymer engineering services	23,750	13.58
Cleanroom and contract manufacturing services	5,187	2.97
Supply chain management and sales and distribution of products	50,310	28.77
Property development and construction business*	-	-
Others^	-	-
Total	**174,861**	**100.00**
PBT/ (LBT)		
End-to-end packaging and design solutions	5,715	680.36
Precision polymer engineering services	1,891	225.12
Cleanroom and contract manufacturing services	(596)	(70.95)
Supply chain management and sales and distribution of products	1,314	156.43
Property development and construction business*	(372)	(44.29)
Others^	(7,112)	(846.67)
Total	**840**	**100.00**

Notes:

* *There is no revenue contribution from the property development and construction business as our Group did not undertake property development and construction activities during the year.*

^ *Others segment includes investment holding and dormant subsidiaries.*

In this regard, our Group had undertaken several initiatives to improve our Group's financial and operational performance. Our Group's plans for our existing business are as follows:

(i) End-to-end packaging and design solutions

Our Group offers end-to-end packaging and design solutions to our industrial, commercial and end consumers. Our Group's end-to-end solution entails graphic designing, evaluation, quality printing and production of various types of printing. Our Group manufactures packaging boxes, provides industrial and carton boxes as well as other packaging for E&E, food and beverage and other industries.

In the FYE 31 March 2023 and up to the LPD, our Group continued to expand our Group's business via, amongst others, the following:

(a) the Acquisition (being the Labelling Business) which was completed on 29 December 2022 is an extension of DTB's end-to-end packaging and design solutions business. Our Board views the Acquisition as a synergistic business opportunity in light of it being complementary to our Group's packaging and design solutions segment/ business. Our Group is now able to offer our customers in Thailand greater value proposition i.e., adhesive labelling as well as packaging products (such as corrugated carton boxes, paper reels, blisters and precision shipping trays). Our Company also continues to carry out on-going review on the business and operations of KTCL to improve efficiency. Among the efforts taken to remain competitive and improve the prospects of our enlarged Group include, investments in new machineries as well as cross selling and marketing of products to existing and new customers. This is in line with our Group's intention to expand our packaging and design solutions segment to diversify our Group's product offerings; and

(b) the acquisition of a piece of land in Selangor by AVKL which was completed on 11 August 2023 (as set out in **Section 7(iv)** of **Appendix I** of this Abridged Prospectus) is intended to cater for its future business expansion with a larger built-up area. Our Board is of the view that the said acquisition of industrial/ business lot which AVKL moved into in January 2024 as part of the business expansion, is of the best interest of our Group. This would enable AVKL to cater for the expected increase in capacity via, among others, the pressure forming machine to be acquired (as set out in **Section 5, Note (2)(i)** of this Abridged Prospectus) and in turn, increase revenue from AVKL's growing business operations.

Moving forward, our Group will continue to invest in new machineries to improve productivity and optimisation of our Group's manpower.

(ii) Precision polymer engineering services

Our Group's polymer engineering capabilities are used across a variety of products, primarily in in-process automation trays and precision component taps and reels for the E&E industry.

During the FYE 30 April 2021, our Group expanded our precision polymer engineering services in Malaysia. Our Group invested in new machineries in one of our Group's plants to increase our Group's manufacturing capacity for pressure forming plastic trays by 35%. The increased production capacity resulting from the additional machineries was to cater for the increasing demand for plastic packaging and components parts for the E&E sector.

Our Group intends to continue with and expand the existing business. Our Group has 29 manufacturing lines as at the LPD. Our Group intends to increase to 32 manufacturing lines via the acquisition of new machines to support the future growth and expansion of our Group as well as to improve our Group's operational capacity, efficiency and productivity.

In this regard, as set out in **Note (2)** of **Section 5** of this Abridged Prospectus, our Group intends to reimburse the cost for 2 injection moulding machines (which have been purchased via a combination of internal funds and bank borrowings of our Group) and acquire 1 unit of pressure forming machine from the proceeds of the Rights Issue.

(iii) Cleanroom and contract manufacturing services

Our Group provides cleanroom services such as ultrasonic cleaning, rinsing and drying for the precision tray and component washing lines and contract manufacturing services for the assembly and component parts used by the E&E sector, especially the memory drive industry.

This business has been minimal as it was affected by low demand from customers in the hard disk drive industry. Among others, our Group has taken action by focusing on securing new customers for components washing business.

(iv) Supply chain management and sales and distribution of products

Our Group offers assembly services to our customers. Our Group pre-assembles or assembles parts and components before delivering it to our customers for export in the healthcare and E&E industries. In addition, our Group also supports our customers in the supply chain process via the provision of goods and services. Our Group intends to continue with the existing business and will continue to explore suitable opportunities to expand and diversify our Group's customer base.

(v) Property development and construction segment

Our Company will continue to assess the market conditions for the development of the Subject Land in light of the continuing economic recovery from the COVID-19 pandemic. We have applied for renewals of the planning permission for the deferment of the development which Majlis Perbandaran Seberang Perai approved until 1 July 2024.

Even though our Group presently does not have any ongoing property development and construction projects, our Group will continue to explore other viable opportunities via joint venture or bidding for suitable projects to revive our property development and construction segment and to grow our construction business and/ or undertake a change in concept master plan for the Subject Land, to source for viable options such as joint venture arrangement for the commercial development of the Subject Land or dispose the Subject Land together with the concept masterplan.

In addition to the above, as part of our Group's strategies to grow our business/ range of services under the end-to-end packaging and design solutions, precision polymer engineering services, cleanroom and contract manufacturing services and supply chain management and sales and distribution of products, our Group will continue to increase efforts to expand our Group's customers' base in both Malaysia and Thailand. Having already made a mark into several overseas countries (e.g., Indonesia, Singapore, China, United States of America, Denmark and United Kingdom), our Group will continue to explore suitable opportunities to expand and diversify our Group's customer base with the intention of sustaining and growing our Group's revenue over the long term.

Our Board will continue to the extent possible, to review the performance and progress of our Group's operations and financial performance, and to introduce measures to minimise the operating costs, where required. Our Group has been carrying out cost saving measures which include exercising prudence in manpower planning and spending by striving to maintain our Group's workforce at the optimum level to meet our Group's operational requirements. Barring any unforeseen circumstances, our Board is cautiously optimistic of our Group's prospects for the FYE 31 March 2024 and FYE 31 March 2025 after having considered all relevant aspects, including the economic and industry outlook, global economic recovery from the COVID-19 pandemic.

After taking into consideration the above and the outlook of the economy in Thailand, Malaysia and global economy, E&E sector, precision cleaning services industry, rubber gloves industry, manufacturing sector, thermoformed plastics packaging industry, plastic injection moulding industry, paper and paperboard packaging industry and property development and construction sector as set out in **Sections 7.1 to 7.9** of this Abridged Prospectus, our Management is cautiously optimistic that our Group will be able to deliver a positive growth for the new financial year and beyond and in turn, enhance shareholders' value in our Company.

8 EFFECTS OF THE RIGHTS ISSUE

8.1 Share capital

The pro forma effects of the Rights Issue on the share capital of our Company are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Shares	Share capital (RM)	No. of Shares	Share capital (RM)
Issued share capital as at the LPD	434,462,377	117,910,820	434,462,377	117,910,820
Issuance of Rights Shares	72,222,223	(1)97,778	434,462,377	(1)6,255,860
	506,684,600	118,008,598	868,924,754	124,166,680
Assume full exercise of the Warrants	72,222,223	(2)11,772,222	434,462,377	(2)70,817,368
Enlarged share capital	**578,906,823**	**129,780,820**	**1,303,387,131**	**194,984,048**

Notes:

(1) *Based on the issue price of RM0.09 per Rights Share and after accounting for the warrant reserve (being the fair value of Warrants of RM0.0730 each computed based on the trinomial option pricing model with data sourced from Bloomberg) in the share capital account and after deducting estimated expenses of RM1.13 million in relation to the Rights Issue and New SIS.*

(2) *Based on the exercise price of RM0.09 per Warrant and after accounting for the reversal of warrants reserve.*

8.2 NA and gearing

For illustrative purpose, based on the unaudited consolidated statement of financial position of our Company as at 30 September 2023 and on the assumption that the Rights Issue had been effected on that date, the pro forma effects of the Rights Issue on the NA and gearing of our Group are as follows:

Minimum Scenario

	Unaudited as at 30 September 2023 RM'000	(I) After the Rights Issue RM'000	(II) After (I) and assuming full exercise of Warrants RM'000
Share capital	117,911	(1)118,009	(4)129,781
Foreign currency translation reserve	6,486	6,486	6,486
Revaluation reserve	36,969	36,969	36,969
Legal reserve	32	32	32
Other capital reserve	5,120	5,120	5,120
Warrants reserve	-	(2)5,272	(4)-
Retained earnings	32,183	32,183	32,183
Shareholders' equity/ NA	**198,701**	**204,071**	**210,571**
Non-controlling interests	5,724	5,724	5,724
Total equity	**204,425**	**209,795**	**216,295**
No. of DTB Shares in issue ('000)	434,462	506,685	578,907
NA per DTB Share (RM)	0.46	0.40	0.36
Total borrowings (RM'000)	58,073	(3)55,073	55,073
Gearing (times)(5)	0.28	0.26	0.25

Notes:

(1) *Based on the issue price of RM0.09 per Rights Share and after accounting for the warrants reserve (being the fair value of Warrants of RM0.0730 each computed based on the trinomial option pricing model with data sourced from Bloomberg) and after deducting estimated expenses of RM1.13 million in relation to the Rights Issue and New SIS.*

(2) *Computed based on the issuance of 72,222,223 Warrants with each Warrant assumed to have a fair value of RM0.0730 based on the trinomial option pricing model.*

(3) *After accounting for the proposed repayment of borrowings amounting to RM3.00 million.*

(4) *Based on the exercise price of RM0.09 per Warrant and after accounting for the reversal of warrants reserve for Warrants.*

(5) *Computed based on total borrowings over total equity.*

Maximum Scenario

	Unaudited as at 30 September 2023 RM'000	(I) After the Rights Issue RM'000	(II) After (I) and assuming full exercise of Warrants RM'000
Share capital	117,911	(1)124,167	(4)194,984
Foreign currency translation reserve	6,486	6,486	6,486
Revaluation reserve	36,969	36,969	36,969
Legal reserve	32	32	32
Other capital reserve	5,120	5,120	5,120
Warrants reserve	-	(2)31,716	(4)-
Retained earnings	32,183	32,183	32,183
Shareholders' equity/ NA	**198,701**	**236,673**	**275,774**
Non-controlling interests	5,724	5,724	5,724
Total equity	**204,425**	**242,397**	**281,498**
No. of DTB Shares in issue ('000)	434,462	868,925	1,303,387
NA per DTB Share (RM)	0.46	0.27	0.21
Total borrowings (RM'000)	58,073	(3)42,073	42,073
Gearing (times)(5)	0.28	0.17	0.15

Notes:

(1) *Based on the issue price of RM0.09 per Rights Share and after accounting for the warrants reserve (being the fair value of Warrants of RM0.0730 each computed based on the trinomial option pricing model with data sourced from Bloomberg) and after deducting estimated expenses of RM1.13 million in relation to the Rights Issue and New SIS.*

(2) *Computed based on the issuance of 434,462,377 Warrants with each Warrant assumed to have a fair value of RM0.0730 based on the trinomial option pricing model.*

(3) *After accounting for the proposed repayment of borrowings amounting to RM16.00 million.*

(4) *Based on the exercise price of RM0.09 per Warrant and after accounting for the reversal of warrants reserve for Warrants.*

(5) *Computed based on total borrowings over total equity.*

8.3 Substantial shareholders' shareholdings

The pro forma effects of the Rights Issue on the substantial shareholders' shareholdings in our Company as at the LPD based on our Company's Record of Depositors and Register of Substantial Shareholders are as follows:

Minimum scenario

	As at the LPD				(I) After the Rights Issue				(II) After (I) and assuming full exercise of Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Substantial shareholders	**No. of shares ('000)**	**%[1]**	**No. of shares ('000)**	**%[1]**	**No. of shares ('000)**	**%[3]**	**No. of shares ('000)**	**%[3]**	**No. of shares ('000)**	**%[4]**	**No. of shares ('000)**	**%[4]**
ASB	111,300	25.62	-	-	111,300	21.97	-	-	111,300	19.23	-	-
Low Chee Min[5]	100	0.02	-	-	72,322	14.27	-	-	144,544	24.97	-	-
GLLSB	58,710	13.51	-	-	58,710	11.59	-	-	58,710	10.14	-	-
Komarkcorp	-	-	58,710	[2]13.51	-	-	58,710	[2]11.59	-	-	58,710	[2]10.14

Notes:

(1) Based on the issued share capital of 434,462,377 DTB Shares as at the LPD.

(2) Deemed interested by virtue of its substantial shareholdings in GLLSB, being the holding company of GLLSB pursuant to Section 8(4) of the Act.

(3) Based on the enlarged issued share capital of 506,684,600 DTB Shares after issuance of the Rights Shares.

(4) Based on the enlarged issued share capital of 578,906,823 DTB Shares after full exercise of the Warrants.

(5) Not a substantial shareholder of DTB as at the LPD.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

Maximum Scenario

Substantial shareholders	As at the LPD				(I) After the Rights Issue				(II) After (I) and assuming full exercise of Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of shares ('000)	%[1]	No. of shares ('000)	%[1]	No. of shares ('000)	%[3]	No. of shares ('000)	%[3]	No. of shares ('000)	%[4]	No. of shares ('000)	%[4]
ASB	111,300	25.62	-	-	222,600	25.62	-	-	333,900	25.62	-	-
Low Chee Min[5]	100	0.02	-	-	200	0.02	-	-	300	0.02	-	-
GLLSB	58,710	13.51	-	-	117,419	13.51	-	-	176,129	13.51	-	-
Komarkcorp	-	-	58,710	[2]13.51	-	-	117,419	[2]13.51	-	-	176,129	[2]13.51

Notes:

(1) *Based on the issued share capital of 434,462,377 DTB Shares as at the LPD.*

(2) *Deemed interested by virtue of its substantial shareholdings in GLLSB, being the holding company of GLLSB pursuant to Section 8(4) of the Act.*

(3) *Based on the enlarged issued share capital of 868,924,754 DTB Shares after issuance of the Rights Shares.*

(4) *Based on the enlarged issued share capital of 1,303,387,131 DTB Shares after full exercise of the Warrants.*

(5) *Not a substantial shareholder of DTB as at the LPD.*

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

8.4 Earnings and EPS

The potential effects of the Rights Issue on our future consolidated earnings and EPS will depend on, amongst others, the number of Rights Shares to be issued and the level of returns generated from the utilisation of the proceeds to be raised from the Rights Issue as set out **Section 5** of this Abridged Prospectus. The usage of proceeds to be raised from the Rights Issue is expected to contribute positively to the future earnings of our Group.

The EPS of our Group will be diluted as a result of the increase in the number of issued Shares arising from the issuance of the Rights Shares and exercise of the Warrants in the future. The effects of any exercise of the Warrants on the consolidated EPS of our Company would depend on the number of Warrants exercisable into new Shares as well as returns generated by our Group from the utilisation of proceeds arising from the Rights Issue and exercise of the Warrants.

For illustration purposes, the pro forma effects of the Rights Issue on our Group's losses and LPS for the 6M-FPE 30 September 2023 are as follows:

Minimum Scenario

	Unaudited as at 30 September 2023 RM'000	(I) After the Rights Issue RM'000	(II) After (I) and assuming full exercise of Warrants RM'000
LAT attributable to the owners of our Company	(3,205)	(3,205)	(3,205)
No. of DTB Shares in issue ('000)	434,462	506,685	578,907
LPS (sen)	(1)(0.74)	(0.63)	(0.55)

Note:

(1) The basic LPS is extracted from the unaudited financial statements of our Company for the 6M-FPE 30 September 2023 and computed based on the weighted average number of Shares.

Maximum Scenario

	Unaudited as at 30 September 2023 RM'000	(I) After the Rights Issue RM'000	(II) After (I) and assuming full exercise of Warrants RM'000
LAT attributable to the owners of our Company	(3,205)	(3,205)	(3,205)
No. of DTB Shares in issue ('000)	434,462	868,925	1,303,387
LPS (sen)	(1)(0.74)	(0.37)	(0.25)

Note:

(1) The basic LPS is extracted from the unaudited financial statements of our Company for the 6M-FPE 30 September 2023 and computed based on the weighted average number of Shares.

8.5 Convertible securities

As at the LPD, our Company does not have any convertible securities.

9 WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES, MATERIAL COMMITMENTS AND MATERIAL TRANSACTIONS

9.1 Working capital and sources of liquidity

Our Group's working capital is funded through a combination of internal and external sources of funds. Our internal sources of funds are generated from our operating activities as well as our cash and bank balances, whereas our external sources of funds are derived from credit extended by our suppliers and credit facilities from licensed financial institutions.

As at the LPD, our Group's cash and bank balances (including fixed deposits with licensed banks) stood at RM16.13 million and our Group's unutilised limits of credit facilities stood at RM47.24 million. Save for the proceeds to be raised from the Rights Issue, our Group does not have access to other material unused sources of liquidity as at the LPD.

Our Board confirms that, after taking into consideration our sources of funds as set out above and proceeds to be raised from the Rights Issue, our Group has sufficient working capital available for a period of 12 months from the date of this Abridged Prospectus.

9.2 Borrowings

As at the LPD, our Group's total outstanding borrowings (all of which are interest bearing) are set out as follows:

Borrowings	Currency	Outstanding amount in foreign currency ('000)	Outstanding amount (RM'000)
Short term borrowings (secured)			
- Finance lease liabilities	MYR	-	557
- Revolving credit	MYR	-	8,000
- Term loans	MYR	-	1,364
	THB(i)	7,475	992
- Trust receipts	THB(i)	1,867	248
- Bankers' acceptance	MYR	-	8,253
- Bank overdrafts	MYR	-	5,260
	THB(i)	12,255	1,626
Long term borrowings (secured)			
- Term loans	MYR	-	26,729
	THB(i)	12,000	1,592
- Financial lease liabilities	MYR	-	3,908
Total		**33,597**	**58,529**

Note:

(i) *Based on the exchange rate of THB100: RM13.2701 as at the LPD.*

Our Board confirms that there has not been any default on payments of either interest and/ or principal sums on any borrowings throughout the past 1 financial year (being the FYE 31 March 2023) and subsequent financial period up to the LPD.

9.3 Contingent liabilities

Save as disclosed below, as at the LPD, our Board confirmed that there are no contingent liabilities incurred or known to be incurred by our Group which, upon becoming due or enforceable, may have a material impact on the financial position or financial performance of our Group:

Contingent liabilities	**RM'000**
Corporate guarantees issued to financial institutions for banking facilities granted to certain subsidiaries	58,467

9.4 Material commitments

Save as disclosed below, as at the LPD, our Board confirmed that there are no material commitments incurred or known to be incurred by our Group that have not been provided for, which upon becoming due or enforceable, may have a material impact on the financial position or financial performance of our Group:

	RM'000
Approved and contracted for:	
- Land and building[(i)]	3,870
- Renovation	644

Note:

(i) Committed costs for the purchase 2 pieces of leasehold lands together with factory buildings erected thereon held under H.S.(D) 717, PT 1502 and H.S.(D) 718, PT 1503, both in Mukim Kemumin, Daerah Jajahan, Kota Bharu, Negeri Kelantan, for a total cash consideration of RM4,300,000 pursuant to a sale and purchase agreement entered into between our subsidiary, D'nonce (Kelantan) Sdn Bhd and Kelantan Match Factory Sdn Bhd.

Our Group is expected to fund the above material commitments through internally generated funds and/ or bank borrowings.

9.5 Material transactions

Our Board has confirmed that there are no other transactions which may have a material and adverse effect on our Group's operations, financial position and results since our Group's latest unaudited consolidated financial statements for the 6M-FPE 30 September 2023.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

10 INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/ TRANSFER AND EXCESS APPLICATION

Full instructions for the acceptance of and payment for the Provisional Allotments as well as Excess Rights Shares with Warrants Applications and the procedures to be followed should you and/ or your renouncee(s) and/ or your transferee(s) (if applicable) wish to sell or transfer all or any part of your/his rights entitlement are set out in this Abridged Prospectus and the RSF. You and/ or your renouncee(s) and/ or your transferee(s) (if applicable) are advised to read this Abridged Prospectus, the RSF and the notes and instructions printed therein carefully. In accordance with Section 232(2) of the CMSA, the RSF must not be circulated unless accompanied by this Abridged Prospectus.

Acceptance of and/ or payment for the Provisional Allotments which do not conform strictly to the terms of this Abridged Prospectus, the RSF or the notes and instructions printed therein or which are illegible may be rejected at the absolute discretion of our Board.

10.1 General

As an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotments that you are entitled to subscribe for in full or in part under the terms and conditions of the Rights Issue. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional Allotments into your CDS Account and the RSF to enable you to subscribe for such Provisional Allotments, as well as to apply for Excess Rights Shares with Warrants if you choose to do so.

This Abridged Prospectus and the RSF are also available at the registered office of our Company, the Share Registrar's office or on Bursa Securities' website at https://www.bursamalaysia.com.

10.2 NPA

The Provisional Allotments are prescribed securities under Section 14(5) of the SICDA and therefore, all dealings in the NPA will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. As an Entitled Shareholder, you and/ or your renouncee(s) and/ or your transferee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making the applications.

10.3 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the Provisional Allotments and the Excess Rights Shares with Warrants Application is **5.00 p.m. on Friday, 1 March 2024**.

We shall make an announcement on Bursa Securities' website in relation to the subscription rate of the Rights Issue after the Closing Date.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

10.4 Methods of acceptance and application

You may subscribe for the Provisional Allotments as well as apply for Excess Rights Shares with Warrants, if you choose to do so, using either of the following methods:

Method	Category of Entitled Shareholders
RSF	All Entitled Shareholders
e-Subscription	All Entitled Shareholders

10.5 Procedures for full acceptance and payment

10.5.1 By way of RSF

Acceptance and payment for the Provisional Allotment to you as an Entitled Shareholder and/ or your renouncee(s) and/ or your transferee(s) (if applicable) must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not conform to the terms of this Abridged Prospectus, NPA or RSF or the notes and instructions contained in these documents or which are illegible may not be accepted at the absolute discretion of our Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/ OR YOUR RENOUNCEE(S) AND/ OR YOUR TRANSFEREE(S) (IF APPLICABLE) WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS PRINTED THEREIN. IN ACCORDANCE WITH SECTION 232(2) OF THE CMSA, THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THIS ABRIDGED PROSPECTUS.

YOU AND/ OR YOUR RENOUNCEE(S) AND/ OR YOUR TRANSFEREE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY.

You and/ or your renouncee(s) and/ or transferee(s) (if applicable) accepting the Provisional Allotments are required to complete Part I(A) and Part II of the RSF in accordance with the notes and instructions provided therein. Each completed and signed RSF together with the relevant payment must be despatched by ORDINARY POST, COURIER or DELIVERED BY HAND using the envelope provided (at your own risk) to the Share Registrar at the following address:

Workshire Share Registration Sdn. Bhd.
A3-3-8, Solaris Dutamas 1
No. 1, Jalan Dutamas 1
50480 Kuala Lumpur
Wilayah Persekutuan (KL)
Malaysia
Tel: +603 - 6413 3271
Fax: +603 - 6413 3270

so as to arrive not later than **5.00 p.m. on Friday, 1 March 2024**, being the last time and date for acceptance and payment, or such extended time and date as may be determined and announced by our Board.

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

A reply envelope is enclosed with this Abridged Prospectus. To facilitate the processing of the RSF by the Share Registrar, you are advised to use 1 reply envelope for each completed RSF.

You and/ or your renouncee(s) and/ or your transferee(s) (if applicable) should take note that a trading board lot for the Rights Shares and Warrants will comprise 100 Rights Shares and 100 Warrants each respectively. Successful applicants of the Rights Shares will be given free Warrants on the basis of 1 Warrant for every 1 Rights Share successfully subscribed for.

The minimum number of securities that can be subscribed for or accepted is 1 Rights Share for every 1 existing Share held on the Entitlement Date. The Warrants will be issued in the proportion of 1 Warrant for every 1 Rights Share successfully subscribed for.

Fractional entitlements arising from the Rights Issue will be disregarded and the aggregate of such fractions shall be dealt with as our Board may at its absolute discretion deem fit and expedient and in the best interest of our Company. Proof of time of postage shall not constitute proof of time of receipt by the Share Registrar.

If acceptance and payment for the Rights Shares with Warrants provisionally allotted to you and/ or your renouncee(s) and/ or your transferee(s) (if applicable) is not received by the Share Registrar by **5.00 p.m. on Friday, 1 March 2024**, being the last date and time for acceptance and payment, or such extended date and time as may be determined and announced by our Board at their discretion, you and/ or your renouncee(s) and/ or your transferee(s) (if applicable) will be deemed to have declined the Provisional Allotments made to you and/ or your renouncee(s) and/ or your transferee(s) (if applicable) and it will be cancelled. Such Rights Shares with Warrants not taken up will be allotted to the applicants applying for Excess Rights Shares with Warrants.

Our Board reserves the right not to accept or to accept in part only any application without providing any reasons. You and/ or your renouncee(s) and/ or your transferee(s) (if applicable) who lose, misplace or for any other reasons require another copy of the RSF may obtain additional copies from your stockbrokers, the Share Registrar at the address stated above, our Company's registered office or Bursa Securities' website at https://www.bursamalaysia.com.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY REMITTANCE IN RM FOR THE FULL AMOUNT 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 CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "DTB RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH THE NAME AND ADDRESS IN BLOCK LETTERS, CONTACT NUMBER AND CDS ACCOUNT NUMBER OF THE APPLICANT TO BE RECEIVED BY THE SHARE REGISTRAR.

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

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR THE SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE ISSUED AND DESPATCHED BY ORDINARY POST TO YOU AND/ OR YOUR RENOUNCEE(S) / TRANSFEREE(S) (IF APPLICABLE) AT YOUR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN 8 MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE.

YOU SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH THE SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

WHERE AN APPLICATION IS NOT ACCEPTED OR ACCEPTED ONLY IN PART, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO YOU WITHIN 15 MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK.

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

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

10.5.2 By way of e-Subscription

The e-Subscription is available to you upon your login to the Share Registrar's Investor Portal at https://www.wscs.com.my/. You are advised to read the instructions as well as the terms and conditions of the e-Subscription.

The e-Subscription is available to all Entitled Shareholders.

Entitled Shareholders who wish to subscribe for the Rights Shares with Warrants and apply for the Excess Rights Shares with Warrants by way of e-Subscription, shall take note of the following:

(a) the e-Subscription will be closed at **5.00 p.m. on Friday, 1 March 2024**. All valid e-Subscription received by the Share Registrar is irrevocable and cannot be subsequently withdrawn.

(b) the e-Subscription must be made in accordance with the procedures and terms and conditions of the e-Subscription, this Abridged Prospectus and the notes and conditions contained in the RSF. Any incomplete or incorrectly completed e-RSF submitted via the Share Registrar's Investor Portal may or may not be accepted at the absolute discretion of our Board.

(c) your application for the Rights Shares with Warrants and Excess Rights Shares with Warrants must be accompanied by the remittance in RM via internet bank transfer, the bank account details as follows:

Name of Bank	:	MALAYAN BANKING BERHAD
Name of Account	:	DTB RIGHTS ISSUE ACCOUNT
Bank Account No.	:	557045632813

You are required to pay an additional fee of **RM15.00** being the stamp duty and handling fee for each e-Subscription.

(d) All Entitled Shareholders who wish to submit by way of e-Subscription are required to follow the procedures and read the terms and conditions as stated below:

(i) Procedures

	Procedures	Action
	User registration	
1.	Register as a user with the Investor Portal	• Access the website at https://www.wscs.com.my/. Click Investor Portal. Refer to the online help tutorial for assistance. • Read and agree to the terms and conditions and confirm the declaration. • Upon submission of your registration, your account will be activated within one working day. • If you have already registered an account with Investor Portal, you are not required to register again.
	e-Subscription	
2.	Sign in to Investor Portal	• Login with your user ID and password for e-Subscription before the Closing Date.
3.	Complete the e-Subscription	• Open the corporate exercise "**D'NONCE TECHNOLOGY BHD – RIGHTS ISSUE WITH WARRANTS**". • Key in/ check your full name, CDS account number, contact number, the number of units for acceptance of your Rights Shares with Warrants and Excess Rights Shares with Warrants (if you choose to apply for additional Rights Shares with Warrants).

		• Proceed with the payment via online banking and indicate your name and last 9 digits of the CDS account number. • Upload the proof of payment(s) and ensure all information in the form is accurate before submitting the form. • Print your e-RSF for your reference and record.

If you encounter any problems during the registration or submission, please email the Share Registrar at support@wscs.com.my for assistance.

(ii) Terms and conditions of the e-Subscription

By submitting your acceptance of the Rights Shares with Warrants and application of the Excess Rights Shares with Warrants (if applicable) by way of e-Subscription:

(A) You acknowledge that your submission by way of e-Subscription is subject to the risks of electrical, electronic, technical, transmission, communication and computer related faults and breakdowns, fires and other events beyond the control of our Company or the Share Registrar and irrevocably agree that if:

(i) our Company or the Share Registrar does not receive your submission of the e-RSF; or

(ii) data on the e-RSF is wholly or partially lost, corrupted or inaccessible, or not transmitted,

your submission of the e-RSF will be deemed as failed and not to have been made. Our Company and the Share Registrar will not be held liable for any delays, failures or inaccuracies in the processing of your e-Subscription due to the above reasons and you further agree that you may not make any claims whatsoever against our Company or the Share Registrar for any loss, compensation or damage in relation to the unsuccessful or failure of your e-Subscription.

(B) You will ensure that all information provided by you in the e-RSF is identical with the information in the records of Bursa Depository and further agree and confirm that in the event the said information differs from the records of Bursa Depository, your application by way of e-Subscription may be rejected at the absolute discretion of our Board without assigning any reason.

(C) You agree that your application shall not be deemed to have been accepted by reason of the remittance have been made.

(D) You agree that all the Rights Shares and Warrants to be issued pursuant to the Rights Issue will be allotted by way of crediting the Rights Shares and Warrants into your CDS account. No physical share or warrant certificates will be issued.

(E) You agree that our Company and the Share Registrar reserve the right to reject your application which does not conform to these terms and conditions.

(F) If your application is successful, a notice of allotment will be issued and despatched by ordinary post to the address as shown in the Record of Depositors provided by Bursa Depository at your own risk within 8 Market Days from the Closing Date.

(G) Where your application is not accepted or accepted only in part, the full amount or the balance of the application monies, as the case may be, shall be refunded without interest by banker's cheque within 15 Market Days from the Closing Date and will be despatched by ordinary post to the address as shown in the Record of Depositors provided by Bursa Depository at your own risk.

10.6 Procedures for part acceptance

If you do not wish to accept the Rights Shares with Warrants provisionally allotted to you in full, you are entitled to accept part of your entitlements that can be subscribed/ applied for. The minimum number of Rights Shares that may be subscribed or accepted is 1 Rights Share.

Fractions of a Rights Shares and/ or Warrants arising from the Rights Issue will be disregarded and the aggregate of such fractions shall be dealt with as our Board may at its absolute discretion deem fit and expedient and in the best interests of our Company. Applicants should take note that a trading board lot comprises 100 Rights Shares and 100 Warrants each respectively.

You must complete both Part I(A) of the RSF by specifying the number of Rights Shares with Warrants which you are accepting and Part II of the RSF and deliver the completed and signed RSF together with the relevant payment to the Share Registrar in the same manner as set out in **Section 10.5** of this Abridged Prospectus.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.

10.7 Procedures for sale or transfer of Provisional Allotments

As the Provisional Allotments are prescribed securities, should you wish to sell or transfer all or part of your entitlement to the Provisional Allotments to 1 or more persons, you may do so through your stockbroker during the period up to the last date and time for sale or transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository) without first having to request for a split of the Provisional Allotments standing to the credit of your CDS Account.

To sell or transfer all or part of your entitlement to the Provisional Allotments, you may sell such entitlement on the open market during the period up to the last date and time for sale or transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository) or transfer such entitlement to such persons as may be allowed under the Rules of Bursa Depository during the period up to the last date and time for transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository).

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. IN SELLING OR TRANSFERRING ALL OR PART OF YOUR PROVISIONAL ALLOTMENTS, YOU ARE NOT REQUIRED TO DELIVER ANY DOCUMENT TO YOUR STOCKBROKER. YOU ARE HOWEVER ADVISED TO ENSURE THAT YOU HAVE SUFFICIENT NUMBER OF PROVISIONAL ALLOTMENTS STANDING TO THE CREDIT OF YOUR CDS ACCOUNT BEFORE SELLING OR TRANSFERRING.

If you have sold or transferred only part of the Provisional Allotments, you may still accept the balance of the Provisional Allotments by completing Parts I(A) and II of the RSF and delivering the RSF together with the full amount payable on the balance of the Rights Shares with Warrants applied for to the Share Registrar. Please refer to **Section 10.5** of this Abridged Prospectus for the procedures for acceptance and payment.

YOU SHOULD NOTE THAT ANY RSF AND REMITTANCE LODGED WITH THE SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.

10.8 Procedures for the Excess Rights Shares with Warrants Application

10.8.1 By way of RSF

If you wish to apply for additional Rights Shares with Warrants in excess of your entitlement, you may do so by completing Part I(B) of the RSF (in addition to Parts I(A) and II). A combined remittance for the Excess Rights Shares with Warrants can be made together with your entitlements as mentioned in **Section 10.5.1** of this Abridged Prospectus. The completed RSF together with the payment must be received by the Share Registrar no later than **5.00 p.m. on Friday, 1 March 2024**, being the last time and date for Excess Rights Shares with Warrants Applications and payment.

The payment must be made for the exact amount payable for the Excess Rights Shares with Warrants Applications. Any excess or insufficient payment may be rejected at the absolute discretion of our Board. Cheques or other mode(s) of payment not prescribed in **Section 10.5.1** of this Abridged Prospectus are not acceptable.

10.8.2 By way of e-Subscription

You may apply for the Excess Rights Shares with Warrants via e-Subscription in addition to your Provisional Allotments. If you wish to do so, you may apply for the Excess Rights Shares with Warrants by following the steps as set out in **Section 10.5.2** of this Abridged Prospectus. The e-Subscription for Excess Rights Shares with Warrants will be made on, and subject to, the same terms and conditions appearing in **Section 10.5.2** of this Abridged Prospectus.

It is the intention of our Board to allot the Excess Rights Shares with Warrants, if any, in a fair and equitable manner in the following priority:

(i) firstly, to minimise the incidence of odd lots;

(ii) secondly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess Rights Shares with Warrants, taking into consideration their respective shareholdings in our Company as at the Entitlement Date;

(iii) thirdly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess Rights Shares with Warrants, taking into consideration the quantum of their respective Excess Rights Shares with Warrants Applications; and

(iv) finally, on a pro-rata basis and in board lots, to the renouncee(s) and/ or transferee(s) who have applied for Excess Rights Shares with Warrants, taking into consideration the quantum of their respective Excess Rights Shares with Warrants Applications.

The Excess Rights Shares with Warrants will firstly be allocated to minimise the odd lots (if any) held by each applicant of Excess Rights Shares with Warrants. Thereafter, the allocation process will perform items (ii), (iii) and (iv) in succession. Any remaining balance of Excess Rights Shares with Warrants will be allocated by performing the same sequence of allocation i.e., items (ii), (iii) and (iv) again in succession until all Excess Rights Shares with Warrants are allotted.

Notwithstanding the foregoing, our Board reserves the right to allot any Excess Rights Shares with Warrants applied for under Part I(B) of the RSF in such manner as it deems fit and expedient and in the best interests of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in **Section 10.8 (i), (ii), (iii) and (iv)** above is achieved. Our Board also reserves the right at its absolute discretion not to accept any application for Excess Rights Shares with Warrants, in full or in part, without assigning any reason thereto.

APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD.

NO ACKNOWLEDGEMENT WILL BE ISSUED FOR THE RECEIPT OF THE EXCESS RIGHTS SHARES WITH WARRANTS APPLICATION OR APPLICATION MONIES IN RESPECT THEREOF. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN THE RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

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

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS RIGHTS SHARES WITH WARRANTS APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED BY ORDINARY POST TO THE ADDRESS AS SHOWN ON THE RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

10.9 Procedures to be followed by renouncees and/ or transferees

As a renouncee and/ or transferee, the procedures for acceptance, selling or transferring of Provisional Allotments, applying for the Excess Rights Shares with Warrants and/ or payment is the same as that which is applicable to the Entitled Shareholders as described in **Sections 10.3** to **10.8** of this Abridged Prospectus. Please refer to the relevant sections for the procedures to be followed.

If you wish to obtain a copy of this Abridged Prospectus and/ or accompanying RSF, you can request the same from the registered office of our Company, the Share Registrar's office or Bursa Securities' website at https://www.bursamalaysia.com.

RENOUNCEES AND/ OR TRANSFEREES ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.

10.10 CDS Account

Bursa Securities has already prescribed the Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the new securities arising from the Rights Issue are prescribed securities and, as such, all dealings with such securities will be by book entries through CDS Accounts and shall be governed by the SICDA and the Rules of Bursa Depository. You must have a valid and subsisting CDS Account in order to subscribe for the Rights Shares with Warrants. Failure to comply with these specific instructions or inaccuracy of the CDS Account number may result in your application being rejected.

Your subscription for the Rights Shares with Warrants shall signify your consent to receiving such Rights Shares with Warrants as deposited securities that will be credited directly into your CDS Account. No physical certificates will be issued.

All Excess Rights Shares with Warrants allotted shall be credited directly into the CDS Accounts of successful applicants.

If you have multiple CDS Accounts into which the Provisional Allotments have been credited, you cannot use a single RSF to accept all these Provisional Allotments. Separate RSFs must be used for acceptance of Provisional Allotments credited into separate CDS Accounts. If successful, the Rights Shares with Warrants that you subscribed for will be credited into the CDS Accounts where the Provisional Allotments are standing to the credit.

10.11 Notice of allotment

Within 5 Market Days after the Closing Date, our Company will make the relevant announcements in relation to the subscription rate of the Rights Issue.

Upon allotment of the Rights Shares in respect of your acceptance and/ or your renouncee/ transferee acceptance (if applicable) and Excess Rights Shares with Warrants Application (if any), the Rights Shares shall be credited directly into the respective CDS Account where the Provisional Allotments were credited.

No physical certificates will be issued in respect of the Rights Shares. However, a notice of allotment will be despatched to you and/ or your renouncee and/ or your transferee (if applicable) by ordinary post within 8 Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities, to the address last shown on the Record of Depositors at your own risk.

Where any application for the Rights Shares is not accepted due to non-compliance with the terms of the Rights Issue or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded without interest to you. The refund will be by issuance of cheque and will be despatched to you within 15 Market Days from the Closing Date by ordinary post to the address last shown on the Record of Depositors at your own risk.

Please note that a completed RSF and the payment thereof, once lodged with the Share Registrar for the Rights Shares, cannot be withdrawn subsequently.

10.12 Foreign-Addressed Shareholders

The Documents have not been (and will not be) made to comply with the laws of any foreign country or jurisdiction other than Malaysia, and have not been (and will not be) lodged, registered or approved under any applicable securities or equivalent legislation (or with or by any regulatory authority or other relevant body) of any country or jurisdiction other than Malaysia.

The distribution of the Documents, as well as the acceptance of the Provisional Allotments and the subscription for or the acquisition of the Rights Shares with Warrants may be restricted or prohibited (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain countries or jurisdiction under the relevant laws of those countries or jurisdictions.

The Documents are not intended to be (and will not be) issued, circulated or distributed and the Rights Issue will not be made or offered or deemed made or offered for acquisition or subscription of any Rights Shares, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. The Rights Issue to which this Abridged Prospectus relates is only available to Entitled Shareholders receiving the Documents electronically or otherwise within Malaysia.

As a result, the Documents have not been (and will not be) sent to Foreign-Addressed Shareholders. However, Foreign-Addressed Shareholders may collect the Documents from the Share Registrar, Workshire Share Registration Sdn. Bhd. at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Wilayah Persekutuan (KL), Malaysia, who will be entitled to request such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the Documents.

Our Company will not make or be bound to make any enquiry as to whether you have a registered address in Malaysia or an address for service in Malaysia if not otherwise stated on the Record of Depositors as at the Entitlement Date and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith. Our Company will assume that the Rights Issue and the acceptance thereof by you would be in compliance with the terms and conditions of the Rights Issue and would not be in breach of the laws of any jurisdiction. Our Company will further assume that you had accepted the Rights Issue in Malaysia and will at all applicable times be subject to the laws of Malaysia.

A Foreign-Addressed Shareholder and/ or his renouncee(s) and/ or his transferee(s) (if applicable) may only accept or renounce all or any part of his/their entitlements and exercise any other rights in respect of the Rights Issue only to the extent that it would be lawful to do so, and our Company, our Board and officers, TA Securities and/ or the advisers named herein ("**Parties**") would not, in connection with the Rights Issue, be in breach of the laws of any country or jurisdiction to which the Foreign-Addressed Shareholder and/ or his renouncee(s) and/ or his transferee(s) (if applicable) is or might be subject to.

The Foreign-Addressed Shareholder and/ or his renouncee(s) and/ or his transferee(s) (if applicable) shall be solely responsible to seek advice from his/their legal and/ or professional advisers as to whether the acceptance or renunciation in any manner whatsoever of his entitlement under the Rights Issue would result in the contravention of the laws of the countries or jurisdictions to which he/they is/are or might be subject to. The Parties shall not accept any responsibility or liability in the event any acceptance or renunciation made by any Foreign-Addressed Shareholder and/ or his renouncee(s) and/ or his transferee(s) (if applicable) is or shall become unlawful, unenforceable, voidable or void in any such country or jurisdiction. The Foreign-Addressed Shareholder and/ or his renouncee(s) and/ or his transferee(s) (if applicable) will also have no claims whatsoever against the Parties in respect of his/their entitlements or to any net proceeds thereof.

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

Each person, by accepting the delivery of the Documents, accepting any Provisional Allotments by signing any of the forms accompanying this Abridged Prospectus or subscribing for or acquiring the Rights Shares with Warrants, will be deemed to have represented, warranted, acknowledged and agreed in favour of (and which representations, warranties, acknowledgements and agreements will be relied upon by) the Parties as follows:

(i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any jurisdiction to which the Entitled Shareholder and/ or his renouncee(s) and/ or his transferee(s) is or might be subject to;

(ii) the Foreign-Addressed Shareholder and/ or his renouncee(s) and/ or his transferee(s) has complied with the laws to which the Foreign-Addressed Shareholder and/ or his renouncee(s) and/ or his transferee(s) is or might be subject to in connection with the acceptance or renunciation;

(iii) the Foreign-Addressed Shareholder and/ or his renouncee(s) and/ or his transferee(s) is not a nominee or agent of a person in respect of whom the Parties would, by acting on the acceptance or renunciation of the Provisional Allotments, be in breach of the laws of any jurisdiction to which that person is or might be subject to;

(iv) the Foreign-Addressed Shareholder and/ or his renouncee(s) and/ or his transferee(s) is/are aware that the Rights Shares with Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged or dealt with in any other way in accordance with all applicable laws in Malaysia;

(v) the Foreign-Addressed Shareholder and/ or his renouncee(s) and/ or his transferee(s) has/have obtained a copy of this Abridged Prospectus and has/have read and understood the contents of this Abridged Prospectus, has/have had access to such financial and other information and has/have been provided the opportunity to ask such questions to the representatives of the Parties and receive answers thereto as the Foreign-Addressed Shareholder and/ or his renouncee(s) and/ or his transferee(s) deem(s) necessary in connection with the Foreign-Addressed Shareholder and/ or his transferee and/ or his renouncee’s decision to subscribe for or purchase the Rights Shares and Warrants; and

(vi) the Foreign-Addressed Shareholder and/ or his renouncee(s) and/ or his transferee(s) has/have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares and Warrants, and is/are and will be able, and is/are prepared to bear the economic and financial risks of investing in and holding the Rights Shares and Warrants.

NOTWITHSTANDING ANYTHING HEREIN, THE FOREIGN-ADDRESSED SHAREHOLDERS AND ANY OTHER PERSON HAVING POSSESSION OF THIS ABRIDGED PROSPECTUS AND/ OR ITS ACCOMPANYING DOCUMENTS ARE ADVISED TO INFORM THEMSELVES OF AND TO OBSERVE ANY LEGAL REQUIREMENTS APPLICABLE TO THEM. NO PERSON IN ANY TERRITORY OUTSIDE OF MALAYSIA RECEIVING THIS ABRIDGED PROSPECTUS AND/ OR ITS ACCOMPANYING DOCUMENTS MAY TREAT THE SAME AS AN OFFER, INVITATION OR SOLICITATION TO SUBSCRIBE FOR OR ACQUIRE ANY RIGHTS SHARES AND WARRANTS UNLESS SUCH OFFER, INVITATION OR SOLICITATION COULD LAWFULLY BE MADE WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER REGULATORY OR LEGAL REQUIREMENTS ON SUCH TERRITORY.

11 TERMS AND CONDITIONS

The issuance of the Rights Shares and Warrants pursuant to the Rights Issue is governed by the terms and conditions as set out in this Abridged Prospectus, the Deed Poll, the NPA and RSF.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

12 FURTHER INFORMATION

You are requested to refer to the enclosed **Appendices I and II** of this Abridged Prospectus for further information.

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

KANG TEIK YIH
Independent Non-Executive Director

1. SHARE CAPITAL

As at the LPD, the issued share capital of our Company is RM117,910,820 comprising 434,462,377 Shares. As at the LPD, our Company does not hold any treasury shares.

2. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Please refer to **Section 8.3** of this Abridged Prospectus for information on the substantial shareholders' shareholdings before and after the Rights Issue.

3. DIRECTORS

The details of our Board as at the LPD are set out in the table below:

Name *(Designation)*	Age	Address	Nationality
Dato' Moktar Bin Mohd Noor *(Independent Non-Executive Chairman)*	66	32, Persiaran Wangsa Baiduri 9 Wangsa Baiduri SS12 47500 Subang Jaya Selangor	Malaysian
Datuk Sham Shamrat Sen Gupta *(Independent Non-Executive Director)*	47	No. 26, Jalan Topaz 7/4 Seksyen 7 40000 Shah Alam Selangor	Malaysian
Kang Teik Yih *(Independent Non-Executive Director)*	49	11, Jalan PP 4/2 Taman Putra Prima 47130 Puchong Selangor	Malaysian
Ong Poh Lin Abdullah *(Independent Non-Executive Director)*	37	18-12, 231 TR Jalan Tun Razak 50400 Kuala Lumpur W.P. Kuala Lumpur	Malaysian

None of the Directors has any direct and/ or indirect shareholding in our Company as at the LPD.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

4. HISTORICAL FINANCIAL INFORMATION

Our audited consolidated financial statements for the FYE 30 April 2021, 11M-FPE 31 March 2022 and FYE 31 March 2023 as well as the unaudited consolidated financial statements for the 6M-FPE 30 September 2023 together with the relevant notes are disclosed in the following documents which have been published on the website of Bursa Malaysia Berhad (https://www.bursamalaysia.com):

	Pages
Our annual report for the FYE 30 April 2021:	
Statements of comprehensive income	56 - 57
Statements of financial position	55
Statements of changes in equity	58 - 60
Statements of cash flows	61 - 63
Notes to the financial statements	64 - 133
Our annual report for the 11M-FPE 31 March 2022:	
Statements of comprehensive income	71 - 72
Statements of financial position	69 - 70
Statements of changes in equity	73 - 78
Statements of cash flows	79 - 83
Notes to the financial statements	84 - 182
Our annual report for the FYE 31 March 2023:	
Statements of comprehensive income	58 - 59
Statements of financial position	57
Statements of changes in equity	60 - 62
Statements of cash flows	63 - 65
Notes to the financial statements	66 - 148
Our unaudited financial results for the 6M-FPE 30 September 2023:	
Statements of comprehensive income	4 - 5
Statements of financial position	2 - 3
Statements of changes in equity	6 - 7
Statements of cash flows	8 – 9
Notes to the financial statements	10 - 25
Each of the said consolidated financial statements is incorporated by reference to this Abridged Prospectus and forms part of this Abridged Prospectus	

<u>**Commentaries:**</u>

(i) 11M-FPE 31 March 2022 compared to FYE 30 April 2021

Our Group's revenue decreased by RM17.65 million (9.58%) to RM166.60 million for the 11M-FPE 31 March 2022 from RM184.25 million for the FYE 30 April 2021 (a decrease of RM2.50 million (1.36%) based on the annualised revenue of RM181.75 million for the 11M-FPE 31 March 2022). The decrease in revenue was mainly due to:

(a) revenue contribution from our Group's customers from E&E industry decreased by RM9.56 million (9.82%) to RM87.76 million (a decrease of RM1.58 million (1.63%) based on an annualised revenue of RM95.73 million for the 11M-FPE 31 March 2022) from RM97.32 million for the FYE 30 April 2021 mainly due to decrease in sales volume as a result of changes in product mix resulting from the evolving technological landscape in which our Group's customers/ end customers operate in; and

(b) revenue contribution from our Group's customers from other industries (which comprises end-to-end packaging and design solutions and supply of goods and services primarily supporting customers in the automotive, food and beverage and other manufacturing industries) decreased by RM4.08 million (15.72%) to RM21.84 million (a decrease of RM2.09 million (8.06%) based on an annualised revenue of RM23.83 million for the 11M-FPE 31 March 2022) from RM25.92 million for the FYE 30 April 2021 mainly due to decrease in sales volume arising from the prolonged movement restrictions which affected the automotive and food and beverage industries in which our customers operate in.

Our Group's PBT decreased by RM5.68 million (36.94%) to RM9.69 million (PBT margin of 5.82%) for the 11M-FPE 31 March 2022 from RM15.37 million (PBT margin of 8.34%) for the FYE 30 April 2021 (a decrease of RM4.82 million (31.35%) when compared to the annualised PBT of RM10.55 million for the 11M-FPE 31 March 2022). The lower PBT and PBT margin was mainly due to:

(a) lower revenue as set out above;

(b) rising cost of raw materials and logistic costs arising from global supply chain disruptions and geopolitical instability (such as the Russia-Ukraine conflict and US-China trade tensions); and

(c) less favourable product mix.

Our Group's cash and cash equivalents increased by RM4.96 million (21.94%) to RM27.56 million as at 31 March 2022 from RM22.60 million as at 30 April 2021 mainly due to:

(a) cash generated from operating activities of RM14.98 million for the 11M-FPE 31 March 2022;

(b) cash used in investing activities of RM19.11 million for the 11M-FPE 31 March 2022 mainly due to cash used in additions in other investments (i.e., investments in quoted shares mainly in Sersol Berhad and money market instruments) of RM13.88 million as well as purchase of property, plant and machinery of RM10.38 million offset by cash from net changes in deposits pledged with licensed banks of RM4.60 million; and

(c) cash generated from financing activities of RM9.52 million for the 11M-FPE 31 March 2022 mainly due to drawdown of term loans of RM3.29 million and proceeds raised of RM18.35 million from issuance of placement shares pursuant to the private placement exercise offset by net changes and repayment of bank borrowings and lease liabilities totalling RM11.92 million.

(ii) FYE 31 March 2023 compared to 11M-FPE 31 March 2022

Our Group's revenue increased by RM8.26 million (4.96%) to RM174.86 million for the FYE 31 March 2023 from RM166.60 million for the 11M-FPE 31 March 2022 (a decrease of RM6.88 million (3.79%) based on the annualised revenue of RM181.75 million for the 11M-FPE 31 March 2022). The increase in revenue was mainly due to our Group accounted for 12-months financial results for the FYE 31 March 2023 as compared to 11-months financial results for the 11M-FPE 31 March 2022. Notwithstanding the foregoing, the revenue contribution from our Group's customers from healthcare sector decreased by RM7.78 million (12.52%) to RM54.40 million for the FYE 31 March 2023 compared to the annualised revenue of RM62.18 million for the 11M-FPE 31 March 2022, mainly attributable to lower sales volume of packaging boxes for glove manufacturers as the demand for gloves spurred by the COVID-19 pandemic abated.

Our Group's PBT decreased by RM8.85 million (91.33%) to RM0.84 million (PBT margin of 0.48%) for the FYE 31 March 2023 from RM9.69 million (PBT margin of 5.82%) for the 11M-FPE 31 March 2022 (a decrease of RM9.71 million (92.04%) when compared to the annualised PBT of RM10.55 million for the 11M-FPE 31 March 2022). The lower PBT and PBT margin was mainly due to:

(a) lower revenue contribution from our Group's customers mainly from the healthcare sector for FYE 31 March 2023 compared to the annualised revenue for the 11M-FPE 31 March 2022, as set out above; and

(b) rising cost of raw materials and logistic costs arising from global supply chain disruptions and geopolitical instability (such as the Russia-Ukraine conflict and US-China trade tensions).

Our Group's cash and cash equivalents decreased by RM15.59 million (56.57%) to RM11.97 million as at 31 March 2023 from RM27.56 million as at 31 March 2022 mainly due to:

(a) cash generated from operating activities of RM7.43 million for the FYE 31 March 2023;

(b) cash used in investing activities of RM27.75 million for the FYE 31 March 2023 mainly due to cash used in net changes in other investments (i.e., investments in quoted shares mainly in Symphony Life Berhad and LKL International Berhad as well as money market instruments) of RM14.35 million as well as purchase of property, plant and machinery of RM17.48 million offset by cash from net changes in deposits pledged with licensed banks of RM3.88 million; and

(c) cash generated from financing activities of RM3.94 million for the FYE 31 March 2023 mainly due to drawdown of term loans of RM10.20 million offset by net changes and repayment of bank borrowings and lease liabilities totalling RM6.26 million.

(iii) 6M-FPE 30 September 2023 compared to 6M-FPE 30 September 2022

Our Group's revenue decreased by RM0.91 million (1.02%) to RM87.75 million for the 6M-FPE 30 September 2023 from RM88.66 million for the 6M-FPE 30 September 2022. The decrease in revenue was mainly due to:

(a) revenue contribution from our Group's customers from E&E industry decreased by RM7.61 million (15.77%) to RM40.66 million for the 6M-FPE 30 September 2023 from RM48.27 million for the 6M-FPE 30 September 2022 mainly due to decrease in sales volume as a result of soft global market demand in the E&E industry and changes in product mix resulting from the evolving technological landscape in which our Group's customers/ end customers operate in; and

(b) revenue contribution from our Group's customers from other industries (which comprises end-to-end packaging and design solutions and supply of goods and services primarily supporting customers in the automotive, food and beverage, other manufacturing industries and self-adhesive label industry) increased by RM6.62 million (56.88%) to RM18.26 million for the 6M-FPE 30 September 2023 from RM11.64 million for the 6M-FPE 30 September 2022 mainly due to revenue contribution from our Labelling Business following the completion of the Acquisition in December 2022.

Our Group recorded a LBT of RM3.03 million (LBT margin of 3.45%) for the 6M-FPE 30 September 2023 as compared to a PBT of RM2.93 million (PBT margin of 3.30%) for the 6M-FPE 30 September 2022 mainly due to:

(a) lower revenue contribution for 6M-FPE 30 September 2023, as set out above; and

(b) absence of fair value gain on investment properties for the 6M-FPE 30 September 2023 (6M-FPE 30 September 2022: RM4.51 million).

Our Group's cash and cash equivalents decreased by RM4.55 million (37.99%) to RM7.42 million as at 30 September 2023 from RM11.97 million as at 31 March 2023 mainly due to:

(a) cash generated from operating activities of RM5.58 million for the 6M-FPE 30 September 2023;

(b) cash used in investing activities of RM24.31 million for the 6M-FPE 30 September 2023 mainly due to purchase of property, plant and equipment of RM21.06 million (mainly attributable to the purchase of a piece of leasehold land with a unit of factory erected thereon for a total purchase consideration of RM17.50 million which was completed on 11 August 2023 (further details are as set out in **Section 7(iv)** of this **Appendix I**)) as well as the net changes in other investments (i.e., investments in quoted shares mainly in Komarkcorp Berhad and Vizione Holdings Berhad and money market instruments) of RM4.86 million; and

(c) cash generated from financing activities of RM14.40 million for the 6M-FPE 30 September 2023 mainly due to drawdown of term loans of RM14.54 million, largely to part finance the acquisition of a piece of leasehold land with a unit of factory erected thereon, as set out above.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

5. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of DTB Shares as traded on Bursa Securities for the past 12 months preceding the date of this Abridged Prospectus are as follows:

	Highest (RM)	Lowest (RM)
2023		
February	0.165	0.120
March	0.155	0.115
April	0.170	0.140
May	0.170	0.130
June	0.150	0.125
July	0.145	0.125
August	0.145	0.130
September	0.135	0.115
October	0.140	0.125
November	0.145	0.125
December	0.145	0.125
2024		
January	0.250	0.090

Last transacted market price on 10 August 2022 (being the last trading date prior to the announcement of the Corporate Exercises) was RM0.155 per DTB Share.

Last transacted market price as at the LPD was RM0.145 per DTB Share.

Last transacted market price on 13 February 2024, being the Market Day prior to the ex-date for the Rights Issue was RM0.09 per DTB Share.

(Source: Bloomberg)

6. OPTION TO SUBSCRIBE FOR SHARES

As at the LPD, save for the Provisional Allotments as well as Excess Rights Shares with Warrants, no option to subscribe for any securities of our Company has been granted or is entitled to be granted to any person.

For the avoidance of doubt, our shareholders had during our EGM held on 1 November 2022 approved, amongst others, the New SIS. As at the LPD, the New SIS has not been effected and therefore there are no options granted under the New SIS. Our Board intends to implement the New SIS after completion of the Rights Issue.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

7. MATERIAL CONTRACTS

Save as disclosed below, our Board confirmed that there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by our Group during the period of 2 years preceding from the date of this Abridged Prospectus:

(i) On 5 August 2022, our subsidiary, Attractive Venture (JB) Sdn Bhd entered into a sale and purchase agreement with ACL Group Sdn Bhd for the acquisition of 2 pieces of vacant industrial land held under HS(D) 78374 PTD 114164 and HS(D) 78375 PTD 114165, both in Mukim of Senai, District of Kulai, State of Johor, for a total cash consideration of RM12,196,931.88. This transaction was completed on 28 February 2023.

(ii) On 11 August 2022, our Company entered into a share sale agreement with GLLSB for the Acquisition of KTCL for a purchase consideration of RM9,100,000 to be satisfied entirely via issuance of 58,709,677 new DTB Shares at an issue price of RM0.155 each. The Acquisition was completed on 29 December 2022.

(iii) On 30 December 2022, our Company's wholly-owned subsidiary, DPSB, accepted an offer to acquire the Subject Land from the registered proprietors namely Tan Than Kau and Tan Tiang Yang, for a total cash consideration of RM950,000. This transaction was completed on 2 February 2023.

(iv) On 5 January 2023, our Company's wholly-owned subsidiary, AVKL, entered into a sale and purchase agreement with Paragon Car Carpets & Components Sdn Bhd, a wholly-owned subsidiary of Paragon Union Berhad, for the acquisition of a parcel of leasehold industrial land where erected upon is a single storey detached factory with 3 storey office annexed, held under H.S.(M) 4080, PT 7667, Tempat Cheras Jaya, Mukim Ceras, Daerah Hulu Langat, Negeri Selangor for a cash consideration of RM17,500,000 ("**SPA**"). This transaction was completed on 11 August 2023.

8. MATERIAL LITIGATION

As at the LPD, our Board confirmed that our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and there are no proceeding pending or threatened against our Group or of any fact likely to give rise to any proceeding which may materially affect the financial position or business of our Group.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

APPENDIX II – ADDITIONAL INFORMATION

1. CONSENTS

The written consents of the Principal Adviser, Solicitors, Company Secretaries, Share Registrar, Auditors and Reporting Accountants and Independent Market Researcher for the inclusion in this Abridged Prospectus of their names and all references thereto in the form and context in which they appear have been given before the issuance of this Abridged Prospectus and have not been subsequently withdrawn.

The written consent of Bloomberg for the inclusion in this Abridged Prospectus of its name and citation of the market data made available to its subscribers in the form and context in which such name and market data appear has been given before the issuance of this Abridged Prospectus and has not been subsequently withdrawn.

2. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of our Company at 1-10, Medan Perniagaan Pauh Jaya, Jalan Baru, 13700 Perai, Pulau Pinang, Malaysia during normal business hours from 9.00 a.m. to 5.30 p.m. Mondays to Fridays (except public holidays) for a period of 6 months from the date of this Abridged Prospectus:

(i) the Constitution of our Company;

(ii) the Undertaking provided by the Undertaking Shareholder as referred to in **Section 3** of this Abridged Prospectus;

(iii) the material contracts referred to in **Section 7** of **Appendix I** of this Abridged Prospectus;

(iv) the letters of consent referred to in **Section 1** of **Appendix II** of this Abridged Prospectus;

(v) the Deed Poll; and

(vi) the IMR Report(s).

3. RESPONSIBILITY STATEMENT

Our Board has seen and approved this Abridged Prospectus, together with the NPA and RSF, and they collectively and individually accept full responsibility for the accuracy of the information contained therein 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 any statement in the said documents false or misleading.

TA Securities, being the Principal Adviser for the Rights Issue, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes full and true disclosure of all material facts concerning the Rights Issue.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]