

**D'NONCE TECHNOLOGY BHD.**  
**(503292-K)**

The Board wishes to announce the following unaudited results of the Group for the second financial quarter ended 28 February 2014.

**Unaudited Condensed Consolidated Statement of Financial Position As At 28 February 2014**

	<i>Note</i>	As At 28/02/2014 RM'000	As At 31/08/2013 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	<i>10</i>	38,225	42,101
Investment properties		12,266	12,429
Other investments		14	14
Intangible assets		289	289
Trade receivable		471	548
Deferred tax assets		826	704
Cash and bank balances		433	432
		<u>52,524</u>	<u>56,517</u>
<b>Currents assets</b>			
Inventories		17,890	18,798
Trade receivables		27,005	28,918
Other receivables, deposit and prepayment		6,112	6,113
Tax recoverable		942	609
Cash and bank balances		12,241	10,082
		<u>64,190</u>	<u>64,520</u>
Non-current assets held for sale		682	-
		<u>64,872</u>	<u>64,520</u>
<b>TOTAL ASSETS</b>		<u>117,396</u>	<u>121,037</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		45,101	45,101
Share premium		12,310	12,310
Other capital reserve		5,120	5,120
Foreign currency translation reserve		817	1,201
Legal reserve		32	32
Accumulated loss		(25,423)	(19,656)
		<u>37,957</u>	<u>44,108</u>
<b>Non-controlling interest</b>		<u>4,055</u>	<u>3,624</u>
<b>Total equity</b>		<u>42,012</u>	<u>47,732</u>
<b>Non-current liabilities</b>			
Retirement benefit obligations		737	1,811
Borrowings	<i>21</i>	13,810	13,070
Deferred tax liabilities		296	171
		<u>14,843</u>	<u>15,052</u>

**Unaudited Condensed Consolidated Statement of Financial Position As At 28 February 2014 (cont'd)**

		As At 28/02/2014 RM'000	As At 31/08/2013 RM'000
	<i>Note</i>		
<b>Current liabilities</b>			
Retirement benefit obligations		1,286	541
Borrowings	21	33,181	29,600
Trade payables		15,928	18,336
Other payables		9,576	9,705
Current tax payable		532	37
Derivatives		38	34
		<hr/> 60,541	<hr/> 58,253
<b>Total liabilities</b>		<hr/> 75,384	<hr/> 73,305
<b>TOTAL EQUITY AND LIABILITIES</b>		<hr/> <hr/> 117,396	<hr/> <hr/> 121,037
<b>Net tangible assets per share (RM)</b>		<hr/> <hr/> 0.84	<hr/> <hr/> 0.97

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 August 2013.)

The accompanying notes are an integral part of this statement.

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**Unaudited Condensed Consolidated Income Statement For The Quarter Ended 28 February 2014**

	<i>Note</i>	<b>CURRENT QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
		<b>3 months ended</b>		<b>6 months ended</b>	
		<b>28/02/2014</b>	<b>28/02/2013</b>	<b>28/02/2014</b>	<b>28/02/2013</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue		39,377	42,450	82,682	90,444
Operating expenses		(39,164)	(40,861)	(81,956)	(86,982)
Other income including investment income		2,245	285	2,690	730
Profit from operations		2,458	1,874	3,416	4,192
Depreciation		(1,216)	(1,233)	(2,615)	(2,550)
Fair value changes in derivatives		(25)	-	(4)	(5)
Foreign exchange gain/(loss)		(420)	(171)	(72)	(39)
Gain/(loss) on disposal of quoted or unquoted investment or properties		-	-	-	-
Gain/(loss) on disposal of property, plant and equipment		2	9	1	(9)
Impairment of assets		-	-	(1,295)	-
Interest expense		(680)	(579)	(1,275)	(1,146)
Interest income		51	86	114	160
Property, plant and equipment written off		-	-	(279)	(7)
Provision for and written off of inventories		315	60	(3,037)	-
Provision for and written off of receivables		700	-	700	-
Staff retrenchment benefits		(458)	-	(458)	-
Profit/(Loss) before taxation		727	46	(4,804)	596
Taxation	<b>19</b>	(287)	(215)	(532)	(416)
Profit/(Loss) for the period		440	(169)	(5,336)	180
<b>Profit/(Loss) attributable to :</b>					
Owner of the parent		89	(306)	(5,767)	(6)
Non-controlling interest		351	137	431	186
		440	(169)	(5,336)	180
Earnings/(Loss) per share (sen) :-	<b>26</b>				
(a) Basic		0.20	(0.68)	(12.79)	(0.01)
(b) Fully Diluted		0.20	(0.68)	(12.79)	(0.01)

**(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 August 2013.)**

**The accompanying notes are an integral part of this statement.**

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**Unaudited Condensed Consolidated Statement of Comprehensive Income For The Quarter Ended 28 February 2014**

	<b>CURRENT QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>28/02/2014</b>	<b>28/02/2013</b>	<b>28/02/2014</b>	<b>28/02/2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit/(Loss) for the period	440	(169)	(5,336)	180
Foreign currency transaction differences for foreign operations	3	1,537	(384)	1,310
Total comprehensive income for the period	<u>443</u>	<u>1,368</u>	<u>(5,720)</u>	<u>1,490</u>
<b>Total comprehensive income attributable to:</b>				
Owner of the parent	92	1,231	(6,151)	1,304
Non-controlling interest	351	137	431	186
	<u>443</u>	<u>1,368</u>	<u>(5,720)</u>	<u>1,490</u>

**(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 August 2013.)**

**The accompanying notes are an integral part of this statement.**

**Unaudited Condensed Consolidated Statements of Changes in Equity For The Quarter Ended 28 February 2014**

	← Attributable to owners of the parent →							Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
	← Non-distributable →									
	Share Capital RM'000	Share Premium RM'000	Other Capital Reserve RM'000	Foreign Currency Translation Reserve RM'000	Legal Reserve RM'000	ESOS Reserve RM'000	Accumulated Loss RM'000			
At 1 September 2013	45,101	12,310	5,120	1,201	32	-	(19,656)	44,108	3,624	47,732
Total comprehensive income for the period	-	-	-	(384)	-	-	(5,767)	(6,151)	431	(5,720)
At 28 February 2014	45,101	12,310	5,120	817	32	-	(25,423)	37,957	4,055	42,012
At 1 September 2012	45,101	12,310	5,120	325	32	114	(10,028)	52,974	3,665	56,639
Effect arising from modification of the term of the ESOS	-	-	-	-	-	(7)	7	-	-	-
Changes in present value of retirement benefit obligations	-	-	-	-	-	-	18	18	-	18
Total comprehensive income for the period	-	-	-	1,310	-	-	(6)	1,304	186	1,490
At 28 February 2013	45,101	12,310	5,120	1,635	32	107	(10,009)	54,296	3,851	58,147

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 August 2013.)

The accompanying notes are an integral part of this statement.

**Unaudited Condensed Consolidated Statement of Cash Flows For The Period Ended 28 February 2014**

	<b>6 months ended</b>	
	<b>28/02/2014</b>	<b>28/02/2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
(Loss)/Profit before taxation	(4,804)	596
Adjustments for non-cash flows:-		
Depreciation	2,615	2,550
(Gain)/Loss on disposal of property, plant and equipment	(1)	9
Interest expense	1,275	1,146
Interest income	(114)	(160)
Provision for and written off of inventories	3,037	-
Net fair value changes in derivatives	4	5
Property, plant and equipment written off	279	7
Provision for and written off of receivables	(700)	-
Impairment of Property, Plant and Equipment	1,295	-
Non-operating items	232	279
Operating profit before working capital changes	<u>3,118</u>	<u>4,432</u>
Decrease/(Increase) in receivables	2,690	(531)
(Increase)/Decrease in inventories	(2,128)	2,330
Decrease in payables	(2,622)	(5,995)
Cash generated from operations	<u>1,058</u>	<u>236</u>
Tax paid	(367)	12
Interest paid	(1,275)	(1,146)
Retirement benefit obligations paid	(480)	-
Net cash used in operating activities	<u>(1,064)</u>	<u>(898)</u>
<b>Cash Flows From Investing Activities</b>		
Interest income	114	160
Purchases of property, plant and equipment	(112)	(2,324)
Proceed from disposal of property, plant and equipment	21	71
Net changes to fixed deposit	391	-
Net cash generated from/(used in) investing activities	<u>414</u>	<u>(2,093)</u>
<b>Cash Flows From Financing Activities</b>		
Drawdown of short term borrowings	2,025	2,466
Repayment of hire purchase and lease financing	(520)	(633)
Drawdown/(Repayment) of term loans	775	(1,323)
Net cash generated from financing activities	<u>2,280</u>	<u>510</u>
Net increase/(decrease) in cash and cash equivalents	1,630	(2,481)
Effect of exchange rate changes	(55)	310
Cash and cash equivalents at beginning of the period	<u>1,462</u>	<u>3,253</u>
Cash and cash equivalents at end of the period	<u>3,037</u>	<u>1,082</u>
Cash and cash equivalents comprise:		
Deposit with licensed banks	5,510	5,453
Cash and bank balances	6,731	4,475
Bank overdraft - secured	(9,204)	(8,846)
	<u>3,037</u>	<u>1,082</u>

**(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 August 2013.)**

**The accompanying notes are an integral part of this statement.**