

D'NONCE TECHNOLOGY BHD.
(503292-K)

The Board wishes to announce the following unaudited results of the Group for the third financial quarter ended 31 May 2014.

Unaudited Condensed Consolidated Statement of Financial Position As At 31 May 2014

	<i>Note</i>	As At 31/05/2014 RM'000	As At 31/08/2013 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	<i>10</i>	37,453	42,101
Investment properties		12,162	12,429
Other investments		14	14
Intangible assets		289	289
Trade receivable		471	548
Deferred tax assets		470	704
Cash and bank balances		433	432
		51,292	56,517
Currents assets			
Inventories		18,217	18,798
Trade receivables		25,217	28,918
Other receivables, deposit and prepayment		15,841	6,113
Tax recoverable		905	609
Derivatives		29	-
Cash and bank balances		10,231	10,082
		70,440	64,520
Non-current assets held for sale		682	-
		71,122	64,520
TOTAL ASSETS		122,414	121,037
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		45,101	45,101
Share premium		12,310	12,310
Other capital reserve		5,120	5,120
Foreign currency translation reserve		419	1,201
Legal reserve		32	32
Accumulated loss		(21,618)	(19,656)
		41,364	44,108
Non-controlling interest		4,083	3,624
Total equity		45,447	47,732
Non-current liabilities			
Retirement benefit obligations		772	1,811
Borrowings	<i>21</i>	14,187	13,070
Deferred tax liabilities		299	171
		15,258	15,052

Unaudited Condensed Consolidated Statement of Financial Position As At 31 May 2014 (cont'd)

	<i>Note</i>	As At 31/05/2014 RM'000	As At 31/08/2013 RM'000
Current liabilities			
Retirement benefit obligations		1,286	541
Borrowings	<i>21</i>	36,180	29,600
Trade payables		15,024	18,336
Other payables		8,911	9,705
Current tax payable		308	37
Derivatives		-	34
		<u>61,709</u>	<u>58,253</u>
Total liabilities		<u>76,967</u>	<u>73,305</u>
TOTAL EQUITY AND LIABILITIES		<u>122,414</u>	<u>121,037</u>
Net tangible assets per share (RM)		<u>0.91</u>	<u>0.97</u>

(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.

D'NONCE TECHNOLOGY BHD.
(503292-K)

Unaudited Condensed Consolidated Income Statement For The Quarter Ended 31 May 2014

	CURRENT QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	31/05/2014	31/05/2013	31/05/2014	31/05/2013
<i>Note</i>	RM'000	RM'000	RM'000	RM'000
Revenue	40,940	42,880	123,622	133,324
Operating expenses	(40,189)	(44,499)	(122,145)	(131,483)
Other income including investment income	5,139	174	7,829	905
Profit from operations	5,890	(1,445)	9,306	2,746
Depreciation	(1,320)	(1,382)	(3,935)	(3,932)
Fair value changes in derivatives	67	(19)	63	(24)
Foreign exchange gain/(loss)	130	(71)	58	(108)
Gain/(loss) on disposal of quoted or unquoted investment or properties	-	-	-	-
Gain/(loss) on disposal of property, plant and equipment	1	13	2	4
Impairment of assets	-	-	(1,295)	-
Interest expense	(557)	(538)	(1,832)	(1,684)
Interest income	44	67	158	226
Property, plant and equipment written off	(25)	(4)	(304)	(11)
Provision for and written off of inventories	(37)	(60)	(3,074)	(60)
Provision for and written off of receivables	-	(31)	700	(31)
Staff retrenchment benefits	(13)	-	(471)	-
Profit/(Loss) before taxation	4,180	(3,470)	(624)	(2,874)
Taxation	19	(347)	(879)	(549)
Profit/(Loss) for the period	<u>3,833</u>	<u>(3,602)</u>	<u>(1,503)</u>	<u>(3,423)</u>
Profit/(Loss) attributable to :				
Owner of the parent	3,805	(3,627)	(1,962)	(3,634)
Non-controlling interest	28	25	459	211
	<u>3,833</u>	<u>(3,602)</u>	<u>(1,503)</u>	<u>(3,423)</u>
Earnings/(Loss) per share :-	26			
(a) Basic (sen)	<u>8.44</u>	<u>(8.04)</u>	<u>(4.35)</u>	<u>(8.06)</u>
(b) Fully Diluted (sen)	<u>8.44</u>	<u>(8.04)</u>	<u>(4.35)</u>	<u>(8.06)</u>

(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.

Unaudited Condensed Consolidated Statement of Comprehensive Income For The Quarter Ended 31 May 2014

	CURRENT QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	31/05/2014	31/05/2013	31/05/2014	31/05/2013
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the period	3,833	(3,602)	(1,503)	(3,423)
Foreign currency transaction differences for foreign operations	(399)	(467)	(782)	843
Total comprehensive income for the period	<u>3,434</u>	<u>(4,069)</u>	<u>(2,285)</u>	<u>(2,580)</u>
Total comprehensive income attributable to:				
Owner of the parent	3,406	(4,094)	(2,744)	(2,791)
Non-controlling interest	28	25	459	211
	<u>3,434</u>	<u>(4,069)</u>	<u>(2,285)</u>	<u>(2,580)</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 31 May 2014

	← Attributable to owners of the parent →							Non-distributable	Non-controlling Interest	Total Equity
	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	-	-	-	(782)	-	-	(1,962)	(2,744)	459	(2,285)
At 31 May 2014	45,101	12,310	5,120	419	32	-	(21,618)	41,364	4,083	45,447
At 1 September 2012	45,101	12,310	5,120	325	32	114	(10,028)	52,974	3,665	56,639
Epiry of ESOS	-	-	-	-	-	(114)	114	-	-	-
Changes in present value of retirement benefit obligations	-	-	-	-	-	-	18	18	-	18
Total comprehensive income for the period	-	-	-	843	-	-	(3,634)	(2,791)	211	(2,580)
At 31 May 2013	45,101	12,310	5,120	1,168	32	-	(13,530)	50,201	3,876	54,077

(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 31 May 2014

	9 months ended	
	31/05/2014	31/05/2013
	RM'000	RM'000
Cash Flows From Operating Activities		
Loss before taxation	(624)	(2,874)
Adjustments for non-cash flows:-		
Depreciation	3,935	3,932
Gain on disposal of property, plant and equipment	(2)	(4)
Interest expense	1,734	1,684
Interest income	(158)	(226)
Provision for and written off of inventories	3,074	60
Net fair value changes in derivatives	(63)	24
Property, plant and equipment written off	304	11
Provision for and written off of receivables	(700)	-
Impairment of Property, Plant and Equipment	1,295	-
Non-operating items	289	242
Operating profit before working capital changes	9,084	2,849
(Increase)/Decrease in receivables	(5,249)	4,578
(Increase)/Decrease in inventories	(2,493)	2,930
Decrease in payables	(4,191)	(5,675)
Cash (used in)/generated from operations	(2,849)	4,682
Tax paid	(542)	(152)
Interest paid	(1,733)	(1,684)
Retirement benefit obligations paid	(480)	-
Net cash (used in)/generated from operating activities	(5,604)	2,846
Cash Flows From Investing Activities		
Interest income	158	226
Purchases of property, plant and equipment	(544)	(1,777)
Proceed from disposal of property, plant and equipment	2	97
Net changes to fixed deposit	391	-
Net cash generated from/(used in) investing activities	7	(1,454)
Cash Flows From Financing Activities		
Drawdown of short term borrowings	4,494	(596)
Repayment of hire purchase and lease financing	(878)	(1,181)
Drawdown of term loans	1,172	(2,272)
Net cash generated from/(used in) financing activities	4,788	(4,049)
Net decrease in cash and cash equivalents	(809)	(2,657)
Effect of exchange rate changes	22	213
Cash and cash equivalents at beginning of the period	1,462	3,253
Cash and cash equivalents at end of the period	675	809
Cash and cash equivalents comprise:		
Deposit with licensed banks	4,655	5,646
Cash and bank balances	5,576	3,939
Bank overdraft - secured	(9,556)	(8,776)
	675	809

(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.