



D'NONCE GROUP OF COMPANIES

INTERIM FINANCIAL RESULTS

FIRST QUARTER ENDED 30 NOVEMBER 2015

D'NONCE TECHNOLOGY BHD.
(503292-K)

The Board wishes to announce the following unaudited results of the Group for the first financial quarter ended 30 Nov 2015.

Unaudited Condensed Consolidated Statement of Financial Position As At 30 Nov 2015

	<i>Note</i>	As At 30/11/2015 RM'000	As At 31/08/2015 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	<i>10</i>	52,871	53,256
Investment properties		11,999	12,099
Other investments		14	14
Intangible assets		289	289
Trade receivable		30,908	33,096
Deferred tax assets		64	64
Cash and bank balances		469	469
		<u>96,614</u>	<u>99,287</u>
Currents assets			
Inventories		17,032	17,503
Trade receivables		46,171	46,111
Other receivables, deposit and prepayment		7,533	8,464
Tax recoverable		647	474
Cash and bank balances		47,114	10,405
		<u>118,497</u>	<u>82,957</u>
TOTAL ASSETS		<u>215,111</u>	<u>182,244</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	<i>7</i>	45,101	45,101
Share premium		134	12,310
Other capital reserve		5,120	5,120
Foreign currency translation reserve		5,490	5,281
Legal reserve		32	32
Warrant reserve		8,777	-
Retained earnings/(Accumulated loss)		7,895	(16,692)
		<u>72,549</u>	<u>51,152</u>
Non-controlling interest		<u>4,817</u>	<u>4,740</u>
Total equity		<u>77,366</u>	<u>55,892</u>
Non-current liabilities			
Retirement benefit obligations		471	441
Borrowings	<i>21</i>	38,705	37,866
Deferred tax liabilities		582	583
		<u>39,758</u>	<u>38,890</u>

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Unaudited Condensed Consolidated Statement of Financial Position As At 30 Nov 2015 (cont'd)

	<i>Note</i>	As At 30/11/2015 RM'000	As At 31/08/2015 RM'000
Current liabilities			
Retirement benefit obligations		254	437
Borrowings	21	46,895	47,740
Trade payables		23,178	25,767
Other payables	22	26,638	12,440
Current tax payable		1,022	890
Derivatives	23	-	188
		<u>97,987</u>	<u>87,462</u>
Total liabilities		<u>137,745</u>	<u>126,352</u>
TOTAL EQUITY AND LIABILITIES		<u>215,111</u>	<u>182,244</u>
Net tangible assets per share (RM)	28	<u>0.40</u>	<u>1.13</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 August 2015.)

The accompanying notes are an integral part of this statement.

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The Board wishes to announce the following unaudited results of the Group for the first financial quarter ended 30 Nov 2015.

Unaudited Condensed Consolidated Income Statement For The Quarter Ended 30 Nov 2015

	<i>Note</i>	CURRENT QUARTER		CUMULATIVE QUARTER	
		3 months ended		3 months ended	
		30/11/2015	30/11/2014	30/11/2015	30/11/2014
		RM'000	RM'000	RM'000	RM'000
Revenue		45,184	54,811	45,184	54,811
Operating expenses		(43,222)	(54,727)	(43,222)	(54,727)
Other income including investment income		646	2,823	646	2,823
Profit from operations		2,608	2,907	2,608	2,907
Depreciation		(1,690)	(1,372)	(1,690)	(1,372)
Fair value changes in derivatives		188	(109)	188	(109)
Foreign exchange gain/(loss)		(330)	928	(330)	928
Gain/(loss) on disposal of property, plant and equipment		8	-	8	-
Interest expense		(1,340)	(1,066)	(1,340)	(1,066)
Interest income		685	10	685	10
Provision for and written off of inventories		(22)	-	(22)	-
Profit/(Loss) before taxation		107	1,298	107	1,298
Taxation	19	(492)	(280)	(492)	(280)
Profit/(Loss) for the period		(385)	1,018	(385)	1,018
Profit/(Loss) attributable to :					
Owner of the parent		(462)	975	(462)	975
Non-controlling interest		77	43	77	43
		(385)	1,018	(385)	1,018
Earnings/(Loss) per share :-	27				
(a) Basic (sen)		(0.49)	1.08	(0.49)	1.08
(b) Fully Diluted (sen)		(0.49)	1.08	(0.49)	1.08

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 August 2015.)

The accompanying notes are an integral part of this statement.

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The Board wishes to announce the following unaudited results of the Group for the first financial quarter ended 30 Nov 2015.

Unaudited Condensed Consolidated Statement of Comprehensive Income For The Quarter Ended 30 Nov 2015

	CURRENT QUARTER		CUMULATIVE QUARTER	
	3 months ended		3 months ended	
	30/11/2015	30/11/2014	30/11/2015	30/11/2014
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the period	(385)	1,018	(385)	1,018
Foreign currency transaction differences for foreign operations	209	1,050	209	1,050
Total comprehensive income for the period	<u>(176)</u>	<u>2,068</u>	<u>(176)</u>	<u>2,068</u>
Total comprehensive income attributable to:				
Owner of the parent	(253)	2,025	(253)	2,025
Non-controlling interest	77	43	77	43
	<u>(176)</u>	<u>2,068</u>	<u>(176)</u>	<u>2,068</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 August 2015.)

The accompanying notes are an integral part of this statement.

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The Board wishes to announce the following unaudited results of the Group for the first financial quarter ended 30 Nov 2015.
Unaudited Condensed Consolidated Statements of Changes in Equity For The Quarter Ended 30 Nov 2015

	←————— Attributable to owners of the parent —————→									
	←————— Non-distributable —————→									
	Share Capital RM'000	Share Premium RM'000	Other Capital Reserve RM'000	Foreign Currency Translation Reserve RM'000	Legal Reserve RM'000	Warrant Reserve RM'000	Retained Earnings/ (Accumulated Loss) RM'000	Total RM'000	Non- controlling Interest RM'000	Total Equity RM'000
At 1 September 2015	45,101	12,310	5,120	5,281	32	-	(16,692)	51,152	4,740	55,892
Par value reduction	(33,826)	-	-	-	-	-	33,826	-	-	-
Issuance of rights issue with warrants	22,551	-	-	-	-	8,777	(8,777)	22,551	-	22,551
Issuance of bonus shares	11,275	(11,275)	-	-	-	-	-	-	-	-
Corporate exercise expenses	-	(901)	-	-	-	-	-	(901)	-	(901)
Total comprehensive income for the period	-	-	-	209	-	-	(462)	(253)	77	(176)
At 30 Nov 2015	45,101	134	5,120	5,490	32	8,777	7,895	72,549	4,817	77,366
At 1 September 2014	45,101	12,310	5,120	578	32	-	(17,352)	45,789	3,917	49,706
Total comprehensive income for the period	-	-	-	1,050	-	-	975	2,025	43	2,068
At 30 Nov 2014	45,101	12,310	5,120	1,628	32	-	(16,377)	47,814	3,960	51,774

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 August 2015.)

The accompanying notes are an integral part of this statement.

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The Board wishes to announce the following unaudited results of the Group for the first financial quarter ended 30 Nov 2015.

Unaudited Condensed Consolidated Statement of Cash Flows For The Period Ended 30 Nov 2015

	3 months ended	
	30/11/2015	30/11/2014
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	107	1,298
Adjustments for non-cash flows:-		
Depreciation	1,690	1,372
Gain on disposal of property, plant and equipment	(8)	-
Interest expense	1,340	1,066
Interest income	(685)	(10)
Provision for and written off of inventories	22	-
Net fair value changes in derivatives	(188)	109
Non-operating items	(1,287)	709
Operating profit before working capital changes	991	4,544
Decrease in receivables	2,434	17,622
Decrease/(Increase) in inventories	449	(9,605)
Increase/(Decrease) in payables	12,033	(9,493)
Cash generated from/(used in) operations	15,907	3,068
Tax refund	90	125
Interest paid	(1,340)	(1,066)
Retirement benefit obligations paid	(198)	(226)
Net cash generated from/(used in) operating activities	14,459	1,901
Cash Flows From Investing Activities		
Interest income	685	10
Purchases of property, plant and equipment	(779)	(856)
Proceed from disposal of property, plant and equipment	8	-
Net changes to fixed deposit	(530)	153
Net cash used in investing activities	(616)	(693)
Cash Flows From Financing Activities		
Proceeds from issuance of rights issue	22,551	-
Drawdown/(Repayment) of short term borrowings	891	(2,778)
Repayment of hire purchase and lease financing	(519)	(385)
(Repayment)/Drawdown of term loans	(556)	(764)
Net cash generated from/(used in) financing activities	22,367	(3,927)
Net increase/(decrease) in cash and cash equivalents	36,210	(2,719)
Effect of exchange rate changes	(14)	1,107
Cash and cash equivalents at beginning of the period	(9,171)	(4,699)
Cash and cash equivalents at end of the period	27,025	(6,311)

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Unaudited Condensed Consolidated Statement of Cash Flows For The Period Ended 30 Nov 2015
(cont'd)

Cash and cash equivalents comprise:

Cash and bank balances	47,583	11,900
Bank overdraft - secured	(15,602)	(13,451)
	<u>31,981</u>	<u>(1,551)</u>
Less: Deposits with licensed banks for more than 3 months and pledged with licensed banks	(4,956)	(4,760)
	<u>27,025</u>	<u>(6,311)</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 August 2015.)

The accompanying notes are an integral part of this statement.

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Notes to the condensed consolidated interim financial statements of the Group for the first quarter ended 30 Nov 2015.

1 Basis of Preparation

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

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 August 2015. These explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 August 2015.

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

The significant accounting policies adopted in preparing this condensed consolidated interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 August 2015.

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

Effective for financial periods beginning on or after 1 January 2016

MFRS 14: Regulatory Deferral Accounts

Amendments to MFRS 101: Disclosure Initiative

Amendments to MFRS 10 and MFRS 128 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to MFRS 10, MFRS 12 and MFRS 128 – Investment Entities: Applying the Consolidation Exception

Amendments to MFRS 11: Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations

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

Amendments to MFRS 116 and MFRS 141 – Agriculture: Bearer Plants

Amendments to MFRS 127: Consolidated Financial Statements - Equity Method in Separate Financial Statements

Annual Improvements to MFRSs 2012-2014 Cycle

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

Effective for financial periods beginning on or after 1 January 2018

MFRS 15: Revenue from Contracts with Customers

MFRS 9: Financial Instruments

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

3 Audit Report of the Preceding Annual Financial Statements

The audit report of the Group's annual financial statements for the year ended 31 August 2015 was not subjected to any qualification.

4 Seasonality and Cyclical Operations

The Group is subjected to the cyclical effects of the electronic industry as a result of the volatility of demand.

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

There were no items affecting assets, liabilities, equity, net income or cash flow that are unusual because of their nature, size or incidence for the current quarter other than the implementation of the corporate exercise as mentioned in Note 7 and 20.

6 Material Changes in Accounting Estimates

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

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

During the quarter ended 30 November 2015, the Company implemented the following:

(i) Reduction of the issued and paid-up share capital of D'nonce Technology Bhd. ("DTB") pursuant to Section 64(1) of the Companies Act, 1965 ("Act"), involving the cancellation of RM0.75 of the par value of each ordinary share of RM1.00 each in DTB;

(ii) Renounceable rights issue of up to 90,202,000 new ordinary shares of RM0.25 each in DTB ("rights share(s)") on the basis of two (2) rights shares for one (1) DTB ordinary share of RM0.25 each ("DTB share(s)") held after the proposed par value reduction, together with up to 90,202,000 free detachable warrants ("warrant(s)") on the basis of one (1) warrant for every one (1) rights share subscribed. The issued and fully paid ordinary share capital of RM22,550,500 and the warrant reserve arising from the issuance of warrants amounting to RM8,776,655 have been included in the respective accounts;

(iii) Bonus issue of up to 45,101,000 new ordinary shares of RM0.25 each in DTB ("bonus share(s)") on the basis of one (1) bonus share for every two (2) rights shares subscribed pursuant to the proposed rights issue with warrants. The bonus issue was franked from the share premium accounts. The amount franked out was RM11,275,250.

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7 Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities
(cont'd)

The movement of the share capital are as follows:

	Number of ordinary shares		Amount	
	As at 30/11/15	As at 31/8/15	As at 30/11/15 RM	As at 31/8/15 RM
<u>Authorised</u>				
At 1 September 2015/2014 (Par value of RM1.00 each)	100,000,000	100,000,000	100,000,000	100,000,000
Par value reduction to RM0.25 each	-	-	(75,000,000)	-
Creation of 700,000,000 ordinary shares of RM0.25 each	700,000,000	-	175,000,000	-
	800,000,000	100,000,000	200,000,000	100,000,000

	Amount	
	As at 30/11/15 RM	As at 31/8/15 RM
<u>Issued and fully paid up</u>		
At 1 September 2015/2014 (Par value of RM1.00 each)	45,101,000	45,101,000
Par value reduction to RM0.25 each	(33,825,750)	-
	11,275,250	45,101,000
Rights issue of 90,202,000 shares of RM0.25 each	22,550,500	-
	33,825,750	45,101,000
Bonus issue of 45,101,000 shares of RM0.25 each	11,275,250	-
	45,101,000	45,101,000

Other than the above, there were no issuance and repayment of debt and equity securities, share cancellations and resale of treasury shares for the financial year-to-date.

8 Dividend Paid

No dividend was paid during the financial year to date.

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9 Segmental Reporting

The Group's segmental analysis is as follows:

3months period ended 30-Nov-15	Integrated Supply Chain Products And Services	Contract Manufacturing Services	Supply of Packaging and Other Materials	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE					
External revenue	13,362	5,386	26,436	-	45,184
Inter-segment revenue	119	112	4,567	(4,798)	-
Total segment revenue	13,481	5,498	31,003	(4,798)	45,184
RESULTS					
Segment results	1,459	1,046	806	-	3,311
Unallocated expenses					(1,864)
Operating profit					1,447
Finance costs, net					(1,340)
Profit before taxation					107
Taxation					(492)
Loss after taxation					(385)
Interest revenue	-	(3)	688	-	685
Interest expense	38	161	1,141	-	1,340
Depreciation and amortisation	6	637	1,047	-	1,690
Other significant non-cash items	13	15	1,162	-	1,190
Segment assets	12,794	17,916	148,155	-	178,865
Unallocated assets					36,246
Total assets					215,111
Segment liabilities	11,007	10,402	100,949	-	122,358
Unallocated liabilities					15,387
Total liabilities					137,745

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9 Segmental Reporting (cont'd)

3months period ended 30-Nov-14	Integrated Supply Chain Products And Services	Contract Manufacturing Services	Supply of Packaging and Other Materials	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE					
External revenue	12,819	7,471	34,521	-	54,811
Inter-segment revenue	186	147	5,541	(5,874)	-
Total segment revenue	13,005	7,618	40,062	(5,874)	54,811
RESULTS					
Segment results	614	2,171	1,234	-	4,019
Unallocated expenses					(1,655)
Operating loss					2,364
Finance costs, net					(1,066)
Loss before taxation					1,298
Taxation					(280)
Loss after taxation					1,018
Interest revenue	-	1	9	-	10
Interest expense	31	177	858	-	1,066
Depreciation and amortisation	14	579	779	-	1,372
Other significant non-cash items	(35)	(10)	853	-	808
Segment assets	10,507	27,939	123,455	-	161,901
Unallocated assets					507
Total assets					162,408
Segment liabilities	8,586	11,269	87,924	-	107,779
Unallocated liabilities					2,855
Total liabilities					110,634

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

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10 Valuation of Property, Plant and Equipment

The valuations of the property, plant and equipment have been brought forward without any amendments from the previous audited financial statements.

11 Subsequent Material Event

There were no material events that have taken place subsequent to the statements of financial position date.

12 Changes in the Composition of the Group

There is an increase in issued and paid-up share capital of DTB pursuant to the Rights Issues with Warrants and Bonus Issue.

13 Changes in Contingent Liabilities and Assets

The Company provided corporate guarantees amounting to RM85,619,631 (31.8.2015: RM82,343,000) for the banking facilities granted to certain subsidiary companies.

14 Capital Commitments

The amount of commitments not provided for in the interim financial statements as at 30 Nov 2015 are as follows:

	RM'000
Approved and not contracted for:	
- Leasehold buildings	4,400
Total Capital Commitments	4,400

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

Compared to the same quarter of last year, the Group's revenue for the current quarter have decreased by RM9.6 million to RM45.1 million.

The performance by business segments are further analysed as below:

Integrated Supply Chain Products and Services

The current quarter's revenue of RM13.36 million is an increase of RM0.5 million compared to the same quarter last year.

The segmental results in the current reporting quarter is RM0.8 million higher than the comparative quarter because the higher revenue and margin of certain products in this current quarter compared to the same quarter of last year.

Contract Manufacturing Services

The current quarter's revenue of RM5.4 million is lower compared to the same quarter last year. This is mainly due to the lower demand from our customers.

The current quarter reported a profit of RM1.0 million which is lower by RM1.1 million compared to the same quarter last year as the result of the lower revenue earned as explained above.

Supply of Packaging and Other Materials

The current quarter's revenue is RM26.4 million with a segmental profit of RM0.8 million. The decrease of RM8.1 million in revenue is mainly due to the lower sales.

This lower segmental profit in this quarter compared to same quarter in previous' year is due to lower sales.

16 Material Changes in Profit Before Taxation Against Preceding Quarter

The Group's current quarter revenue is RM45.1 million compared to previous quarter revenue of RM39.7 million. The increase in revenue in this quarter against the immediate preceding quarter is higher sales in this quarter. The results for this period is at RM1.4 million.

The performance by business segments are further analysed as below:

Integrated Supply Chain Products and Services

The revenue for this business segment is higher by RM2.5 million compared to the revenue in previous quarter.

The segmental result for this quarter is RM1.5 million. This is higher by RM0.6 million compared to the previous quarter because of higher revenue and margin of certain products is higher in this quarter.

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16 Material Changes in Profit Before Taxation Against Preceding Quarter (cont'd)

Contract Manufacturing Services

The revenue in this business segment has increased by RM1.5 million to RM5.4 million as compared to the immediate preceding quarter mainly due to the higher demand by our new and existing customers.

The segmental results for this business segment registered a profit of RM1.0 million compared to a loss recorded in previous quarter of RM5.9 million because of the lower sales from our customers and stock written off in the previous quarter.

Supply of Packaging and Other Materials

The revenue in this current quarter of RM26.4 million is higher than immediate preceding quarter is because of the higher sales in current quarter.

This segment registered a profit of RM0.8 million in this current quarter and it is lower compared to the previous quarter mainly due to completion of CCTV project in previous quarter in one of the subsidiaries and recovery of bad debts in another subsidiary.

17 Prospects

Under the current global business sentiment which remains challenging due to the prevailing global economic conditions and the fluctuation of foreign currencies. The Group will continue to actively penetrate into other market segments as well as expanding its existing business to offset the impact. The management is continuously monitoring the Group's operational cost and efficiency to improve the overall profitability.

18 Variance of Actual Profit from Forecast Profit

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

19 Taxation

	Current Quarter		Cumulative Quarter	
	30-Nov-2015 RM'000	30-Nov-2014 RM'000	30-Nov-2015 RM'000	30-Nov-2014 RM'000
Income tax:				
Current period	493	210	493	210
Prior period	-	67	-	67
Deferred tax:				
Current period	(1)	(3)	(1)	(3)
Prior period	-	6	-	6
Total tax expenses	492	280	492	280

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

20 Status of Corporate Proposal

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

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

- (i) Reduction of the issued and paid-up share capital of D'nonce Technology Bhd. (“DTB”) pursuant to Section 64(1) of the Companies Act, 1965 (“Act”), involving the cancellation of RM0.75 of the par value of each ordinary share of RM1.00 each in DTB;
- (ii) Renounceable rights issue of up to 90,202,000 new ordinary shares of RM0.25 each in DTB (“rights share(s)”) on the basis of two (2) rights shares for one (1) DTB ordinary share of RM0.25 each (“DTB share(s)”) held after the proposed par value reduction, together with up to 90,202,000 free detachable warrants (“warrant(s)”) on the basis of one (1) warrant for every one (1) rights share subscribed;
- (iii) Bonus issue of up to 45,101,000 new ordinary shares of RM0.25 each in DTB (“bonus share(s)”) on the basis of one (1) bonus share for every two (2) rights shares subscribed pursuant to the proposed rights issue with warrants;
- (iv) Private placement of up to 36,080,800 new ordinary shares of RM0.25 each in DTB (“placement share(s)”), representing approximately up to twenty percent (20%) of the enlarged issued and paid-up share capital of DTB after the proposed rights issue with warrants and proposed bonus issue together with up to 18,040,400 warrants on the basis of one (1) warrant for every two (2) placement shares to be subscribed by potential investors;
- (v) Amendments to the Memorandum And Articles of Association (“M&A”) of DTB;
- (vi) Establishment of an Employees’ Share Option Scheme (“ESOS”) of up to fifteen percent (15%) of the enlarged issued and paid-up share capital of DTB after the proposals (i) to (iv) above for the eligible directors and employees of DTB and its subsidiaries (“DTB group” or “group”);
- (vii) Share buy-back of its ordinary shares of RM0.25 each by DTB of up to ten percent (10%) of its issued and paid-up share capital; and
- (viii) Increase in the authorised share capital of DTB from RM100,000,000 comprising 100,000,000 ordinary shares of RM1.00 each to RM200,000,000 comprising 800,000,000 ordinary shares of RM0.25 each.

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

20 Status of Corporate Proposal (cont'd)

On 26 November 2015, the Company has issued 90,202,000 Rights Shares, 45,101,000 Bonus Shares and 90,202,000 Warrants pursuant to the Rights Issue with Warrants and Bonus Issue. The Rights Shares, Warrants and Bonus Shares were listed and quoted on the Main Market of Bursa Securities with effect from 9.00 a.m., 30 November 2015, marking the completion of the Rights Issue with Warrants and Bonus Issue.

As at 30 November 2015, all the above corporate exercises have been completed except for the Private Placement with Warrants, ESOS and Share Buy-Back.

Utilisation of proceeds from corporate proposal:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation from date of listing of the Rights Shares	Deviation	
				Amount RM'000	%
(i) To partly finance the purchase of land and factory building, renovation and refurbishment expenses	5,000	-	Within 12 months	N/A	N/A
(ii) Construction of clean room facility and purchase of 3 lines of tray cleaning systems in Thailand	4,400	-	Within 12 months	N/A	N/A
(iii) Construction of new factory building in Penang	1,600	633*	Within 12 months	N/A	N/A
(iv) Construction of new factory building in Thailand	2,200	-	Within 12 months	N/A	N/A
(v) Renovation and refurbishment of factory building in Penang	1,000	721*	Within 12 months	N/A	N/A
(vi) Working capital	6,751	6,751*	Within 12 months	N/A	N/A
(vii) Expenses in relation to the Corporate Exercises	1,600	1,036*	Within 3 months	N/A	N/A
Total	22,551	9,141		N/A	N/A

* As at 29 January 2016.

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21 Group Borrowings and Debt Securities

The Group Borrowings as at the end of the reporting period comprised secured term loan, bank overdrafts, bills payable and hire purchases denominated in Ringgit Malaysia and Thai Baht payable in the following manner:

30 Nov 2015	Denominated in Ringgit Malaysia RM'000	Denominated in Thai Baht RM'000	Total RM'000
Secured:			
Short Term	31,049	15,846	46,895
Long Term	25,140	13,565	38,705
Total	56,189	29,411	85,600

31 Aug 2015	Denominated in Ringgit Malaysia RM'000	Denominated in Thai Baht RM'000	Total RM'000
Secured:			
Short Term	34,293	13,447	47,740
Long Term	25,243	12,623	37,866
Total	59,536	26,070	85,606

22 Other Payables

As of 30 Nov 2015, there is RM11,670,659 excess rights issue application monies held by the Company has been refunded to the shareholders subsequent to the financial period.

23 Derivative Financial Instrument

There was no derivative financial instrument as at the current financial period.

24 Realised and unrealised profit disclosure

	As At 30 Nov 2015 RM'000	As At 31 Aug 2015 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	10,489	(13,101)
- Unrealised	1,085	(118)
Add : Consolidated adjustments	11,574 (3,679)	(13,219) (3,473)
Total Group accumulated losses as per consolidated income statements	7,895	(16,692)

25 Material Litigation

There was no pending material litigation as at the date of this quarterly report.

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26 Dividend

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

27 Earnings/(Loss) Per Share

Basic/ Diluted	Current Quarter		Cumulative Quarter	
	30 Nov 2015	30 Nov 2014	30 Nov 2015	30 Nov 2014
Profit/(Loss) attributable to ordinary equity holders of the parent (RM'000)	(462)	975	(462)	975
Weighted average number of ordinary shares in issue ('000)	95,213	90,202	95,213	90,202
Basic (loss)/earnings per share (sen)	(0.49)	1.08	(0.49)	1.08

The warrants were not assumed to be exercised because they were antidilutive in the period. Therefore, the basic and diluted earnings per share is the same.

28 Net Tangible Assets Per Share

	As At 30 Nov 2015	As At 31 Aug 2015
Equity attributable to equity holders of the parent (RM'000)	72,549	51,152
Less: Intangible assets	(289)	(289)
Net Tangible Assets	72,260	50,863

Number of ordinary shares in issue ('000)	180,404	45,101
Net Tangible Assets (RM)	0.40	1.13

29 Authorisation For Issue

The Board of Directors authorised the issue of this unaudited interim financial statements on 29 January 2016.

By Order of the Board
Gunn Chit Geok
Chew Siew Cheng
 Company Secretaries
 29 January 2016
 Pulau Pinang