

PRESS RELEASE

FOR IMMEDIATE RELEASE

DESPITE THE GENERAL MARKET SLOWDOWN DUE TO COVID-19 INDUCED MCO, D'NONCE'S NEW BOARD DELIVERS SOLID UPTREND IN PROFIT IN Q6 FYE 30 APRIL 2020

Key Highlights

- Significant improvement in Profit Before Tax ("PBT") from loss of RM3.34 million in 1H Year-to-date ("YTD") 30 June 2019 to RM2.40 million, an increase of RM5.74 million or 172% for Financial Year Ended 30 April 2020 ("FYE 30 April 2020").
- Noteworthy surge in revenue, average monthly sales for July 2019 till April 2020 was RM14.6 million compared with January 2019 till June 2019 of RM13.3 million representing a 9.8% increase, even though March and April sales were impacted by the Covid-19 induced MCO
- Three consecutive profitable quarters with FYE PBT of RM2.40 million signifying 9 straight months of profit until April since the new management took over the running of the Company

KUALA LUMPUR, 29 JUNE 2020 – D'nonce Technology Bhd ("D'nonce" or "the Group") ("7114"), today announced its interim financial results for the sixth quarter ("Q6") and 16-month consolidated financial results for its Financial Year Ended 30 April 2020 ("FYE 30 April 2020"). The Group is a diversified engineering solutions provider, serving customers in the semiconductor, automotive, medical/healthcare, data storage hardware and consumer electronics industries with overseas subsidiaries in Thailand.

In mid-July 2019, D'nonce had installed a new Board of Directors and management, led by Mr. Tho Yow Yin as CEO. Under the new leadership, the Group embarked on cost-cutting measures and redirected their focus to expand the Group's growth in value-added businesses. These efforts have borne positive results as reflected in its financial performance since July 2019 to 30 April 2020.

D'nonce recorded a revenue of RM225 million for the FYE 30 April 2020, of which from 1 July 2019 to 30 April 2020, the Group recorded an average monthly revenue of RM14.6 million as compared to an average monthly revenue of RM13.3 million from 1 January 2019 to 30 June 2019, representing a 9.8% improvement in sales, despite the MCO which impacted operations in March and April 2020.

The significant increment of the revenue was partly contributed by the **surge in demand from customers in the healthcare industry mainly due to the Covid-19 outbreak** as D'nonce provides essential support to the glove industry in Southern Thailand and also supplies injection molded ventilator parts from their factory in Prai, Pulau Pinang.

Simultaneously, the Group continued to showcase **a healthy and growing PBT** having recorded a PBT of RM2.40 million for the Financial Period Ended 30 April 2020 reflecting a turnaround of RM5.74 million or 172% growth over the 1H Loss Before Tax of RM3.34 million. With the exception of Q6 FY2020 (which consisted of only 1 month), the Group achieved three **consecutive quarters in the black (cumulative PBT of RM5.74 million from 1 July 2019 to 30 April 2020) - after losses earlier in the financial year throughout the first two quarters (cumulative Loss Before Tax of RM3.34 million from 1 January 2019 to 30 June 2019)**. This is the result of the management's continuous prudence in managing its expenses while expanding revenue, resulting in the highest level of operational efficiency and also the continuous growth of its business. As of 30th April 2020 the Group has generated a positive cash flow of RM8.16 million from operating activities and have cash and bank balances of RM32.5 million.

For the full FYE 30 April 2020, D'nonce recorded a Profit After Tax of RM0.73 million (after the non-cash adjustment from the revaluation of properties deficit of RM0.45 million) in spite of the net losses recorded for Financial Period Ended 30 June 2019.

Notwithstanding the challenging environment, the Group is cautiously optimistic of its business with the expectation of continued strong demand for its supplies to the medical and health sectors as well as the positive demand from the electronic technology sector moving forward.

The Group has active initiatives underway to enhance its overall organisational effectiveness. These initiatives should increase productivity and cost efficiency while also helping to realise scale economies as D'nonce continues to grow its commercial opportunities.

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About D'nonce Technology Bhd

D'nonce Technology Bhd ("**D'nonce**") is a diversified engineering solution provider serving customers in the semi-conductor, telecommunications, automotive, medical, consumer electronics and data storage industries with subsidiaries in Thailand.

The Group started as a trading company in Penang in 1989, specialising in industrial tapes for the E&E industry. The company expanded its scope and began to engage in value added design and converting processes of packaging solutions in 1991. In the mid-1990s, D'nonce started to expand to the other states in Malaysia. In 1997, D'nonce Technology Bhd began to offer contract manufacturing services to support the HDD industry and eventually set up cleanrooms to facilitate the HDD, E&E and medical devices industries.

D'nonce Technology Bhd was listed on the Main Market of Bursa Malaysia in 2001 and in 2002, the company expanded its operations beyond the shores of Malaysia to Thailand, providing diverse products and services to cater to both the industrial customers and consumer markets.

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Forward-Looking Statements

The statement included in this press release, other than statements of historical facts, are forward-looking statements. Forward-looking statement generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "plan," "seek," or "believe." These forward-looking statements, which are subject to risks, uncertainties, and assumptions, may include projections of our future financial performance based on our growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations about future event. There are important factors that could cause our actual results, level of activity, performance, or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statement, including, but not limited to our ability to win additional business. Although we believe the expectations reflected in the forward- looking statements are reasonable, we cannot guarantee future result, level of activity, performance, or achievements. You should not rely upon forward-looking statements as predictions of future events. These forward-looking statements apply

only as of the date of this press release; as such, they should not be unduly relied upon as circumstances change. Except as required by law, we are not obligated, and we undertake no obligation, to release publicly any revisions to these forward-looking statements that might reflect events or circumstances occurring after the date of this release or those that might reflect the occurrence of unanticipated events.