

## PRESS STATEMENT / SIARAN AKHBAR

(FOR IMMEDIATE RELEASE)

### **D'NONCE: 1QFY21 NET PROFIT SOARED 447.9% OVER FY20 NET PROFIT, MAINLY BOOSTED BY SUPPLY OF PACKAGING TO HEALTHCARE SECTOR**

*1QFY21 net profit of RM4.0 million surpasses FY20's full year net profit*

- Experiencing strong orders from customers in the healthcare sector, while demand from E&E sector is growing as well.
- Expanding capacity to cater for increasing demand.
- The Group is cautiously positive on its outlook, riding on twin engines of growth -- healthcare and E&E sectors.

**Georgetown, 3 September 2020** – Diversified engineering solutions provider, D'nonce Technology Berhad (“D'nonce” or the “Group”) (“天龙科技”), announced its first quarter (“1QFY21”) financial results today for the period ended 31 July 2020. To recap, D'nonce changed its financial year end to 30 April from 31 December, hence, there are no comparative figures disclosed for the preceding year corresponding quarter as the last audited financial statements were for a 16-month period from 1 January 2019 to 30 April 2020.

For the quarter under review, the Group posted a revenue of RM44.6 million. In terms of geographical breakdown, Thailand was the largest revenue contributor, accounting for RM20.9 million or 46.9% with the remainder from Malaysia (RM23.7 million or 53.1%). The two key customer groups that contributed to the Group's turnover are gloves manufacturers, which are classified under the healthcare sector, as well as multinational corporations in the E&E sector.

On profitability, D'nonce recorded strong net profit after tax of RM4.0 million for the quarter under review, which exceeded the 16-month full year net profit achieved in the preceding financial year. 1QFY21 net profit soared 447.9% over the full year net profit in FY20. The remarkable growth was primarily attributed to the surge in orders for packaging solutions by the healthcare customers in tandem with the rise in demand for gloves, as well as improved operational efficiency following successful cost-rationalization measures introduced in the previous year.

**Executive Director and Chief Executive Officer of D'nonce, Mr. Tho Yow Yin (陶有賢) said,** “We are very delighted to have delivered such a solid set of results despite the challenging environment arising from the Covid-19 pandemic and the resultant movement control order (“MCO”). Our achievements are a culmination of two factors – soaring demand for our products and successful turnaround of operations by the new management team who took over since July 2019.”

“D'nonce is in a strategic position in terms of business prospect as we are riding on twin engines of growth – the healthcare and the E&E sectors. We are experiencing robust orders from our customers in the healthcare sector while demand from the E&E sector is growing as well. Our manufacturing facility in Sadao, Thailand is currently running at full capacity. Therefore, we will be expanding our capacity to cater for the strong and rising demand from the healthcare sector.”

“Looking ahead, the Group shall continue to capitalize on our customers' growth, especially from the healthcare sector. We are positive on our outlook underpinned by the rising demand for our products and the expansion plans we have in place. Barring any unforeseen circumstances, we expect this will be a good financial year for us.” Mr. Tho further added.

On balance sheet strength, net gearing remains healthy at 0.1x as at end-July 2020 with cash holdings of RM33.8 million and backed by net assets of 48 sen per share.

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### **About D'nonce Technology**

D'nonce is a diversified engineering solutions provider with key customer base from healthcare, electrical and electronics (“E&E”), and manufacturing sectors. The Group was established in 1989 and headquartered in Penang, Malaysia with manufacturing facilities in Kelantan, Kuala Lumpur, and Johor. D'nonce was listed on the Main Market of Bursa Malaysia in 2001 and expanded its operations to Thailand in the subsequent year. The Group manufactures automation/electronic component trays, tapes and reels for printed circuit board (“PCB”) components as well as paper and plastic product packaging.

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Released on behalf of D'nonce Technology Berhad by Capital Front Investor Relations.

For media enquiries, kindly contact:

Name: Kai Khoo

Email: [kai@capitalfront.biz](mailto:kai@capitalfront.biz)

Tel: 012-335 7148