



D'NONCE GROUP OF COMPANIES

INTERIM FINANCIAL RESULTS

FIRST QUARTER ENDED 31 JULY 2020

D'NONCE TECHNOLOGY BHD.
(200001000687 / 503292-K)

The Board wishes to announce the following unaudited results of the Group for the first quarter ended 31 July 2020.

Unaudited Condensed Consolidated Statement of Financial Position As At 31 July 2020

	<i>Note</i>	As At 31/07/2020 RM'000	As At 30/04/2020 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		71,952	72,570
Investment properties		13,457	13,539
Intangible assets		289	289
Trade receivable		263	321
Other receivable		18	1,448
Deferred tax assets		169	167
Right Of Use Asset		2,568	2,790
Cash and bank balances		-	128
		88,716	91,252
Currents assets			
Inventories		22,577	25,706
Trade receivables		30,032	30,958
Other receivables, deposits and prepayments		19,765	17,657
Contract assets		-	48
Tax recoverable		1,672	2,131
Cash and bank balances		33,777	32,404
		107,823	108,904
TOTAL ASSETS		196,539	200,156
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	7	75,119	75,119
Other capital reserve		5,120	5,120
Foreign currency translation reserve		7,367	7,174
Employees share option scheme reserve	7	104	104
Legal reserve		32	32
Warrant reserve	7	4,958	4,958
Revaluation reserve		20,065	20,065
Retained earnings		7,081	3,240
		119,846	115,812
Non-controlling interests		5,555	5,396
Total equity		125,401	121,208

D'NONCE TECHNOLOGY BHD.
(200001000687 / 503292-K)

The Board wishes to announce the following unaudited results of the Group for the first quarter ended 31 July 2020.

Unaudited Condensed Consolidated Statement of Financial Position As At 31 July 2020 (cont'd)

		As At 31/07/2020	As At 30/04/2020
	<i>Note</i>	RM'000	RM'000
Non-current liabilities			
Retirement benefit obligations		2,296	2,183
Borrowings	20	12,250	12,802
Lease liabilities		367	1,994
Deferred tax liabilities		5,940	5,938
		<u>20,853</u>	<u>22,917</u>
Current liabilities			
Retirement benefit obligations		-	-
Borrowings	20	29,608	35,712
Lease liabilities		2,273	860
Trade payables		9,570	11,568
Other payables		8,396	7,720
Current tax payable		438	171
		<u>50,285</u>	<u>56,031</u>
Total liabilities		<u>71,138</u>	<u>78,948</u>
TOTAL EQUITY AND LIABILITIES		<u>196,539</u>	<u>200,156</u>
Net assets per share (RM)	26	<u>0.48</u>	<u>0.46</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2020)

The accompanying notes are an integral part of this statement.

D'NONCE TECHNOLOGY BHD.
(200001000687 / 503292-K)

The Board wishes to announce the following unaudited results of the Group for the first quarter ended 31 July 2020.

Unaudited Condensed Consolidated Income Statement For The Quarter Ended 31 July 2020

	CURRENT QUARTER		CUMULATIVE QUARTER	
	3 months ended		3 months ended	
	31/07/2020	31/07/2019	31/07/2020	31/07/2019
<i>Note</i>	RM'000	RM'000	RM'000	RM'000
Revenue	44,576	-	44,576	-
Operating expenses	(38,209)	-	(38,209)	-
Other income including investment income	1,030	-	1,030	-
Profit from operations	7,397	-	7,397	-
Depreciation	(2,003)	-	(2,003)	-
Foreign exchange loss	(31)	-	(31)	-
Interest expense	(819)	-	(819)	-
Interest income	83	-	83	-
Provision for and written off of inventories	(52)	-	(52)	-
Profit before taxation	4,575	-	4,575	-
Taxation	<i>18</i> (575)	-	(575)	-
Profit for the period	<u>4,000</u>	-	<u>4,000</u>	-
Profit attributable to:				
Owner of the parent	3,841	-	3,841	-
Non-controlling interests	159	-	159	-
	<u>4,000</u>	-	<u>4,000</u>	-
Earnings per share:	<i>25</i>			
(a) Basic (sen)	<u>1.46</u>	-	<u>1.46</u>	-
(b) Fully Diluted (sen)	<u>1.43</u>	-	<u>1.43</u>	-

Notes:

- i) The previous financial year end of the Group has been changed from 31 December to 30 April. As such, there will be no comparative financial information available for the financial period ended 31 July 2020.
- ii) The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2020.
- iii) The accompanying notes are an integral part of this statement.

D'NONCE TECHNOLOGY BHD.
(200001000687 / 503292-K)

The Board wishes to announce the following unaudited results of the Group for the first quarter ended 31 July 2020.

Unaudited Condensed Consolidated Income Statement For The Quarter Ended 31 July 2020
(cont'd)

	CURRENT QUARTER		CUMULATIVE QUARTER	
	3 months ended		3 months ended	
	31/07/2020	31/07/2019	31/07/2020	31/07/2019
<i>Note</i>	RM'000	RM'000	RM'000	RM'000
Profit for the period	4,000	-	4,000	-
Other comprehensive income:				
Foreign currency translation				
differences for foreign operations	193	-	193	-
Total comprehensive income for the period	4,193	-	4,193	-
Total comprehensive income attributable to:				
Owner of the parent	4,034	-	4,034	-
Non-controlling interests	159	-	159	-
	4,193	-	4,193	-

Notes:

- i) The previous financial year end of the Group has been changed from 31 December to 30 April. As such, there will be no comparative financial information available for the financial period ended 31 July 2020.
- ii) The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2020.
- iii) The accompanying notes are an integral part of this statement.

The Board wishes to announce the following unaudited results of the Group for the first quarter ended 31 July 2020.

Unaudited Condensed Consolidated Statement of Changes in Equity For The The Quarter Ended 31 July 2020

	←————— Attributable to equity holders of the parent —————→										
	←————— Non-distributable —————→							Distributable			
	Foreign Employees'										
	Share Capital RM'000	Other Capital Reserve RM'000	Currency Translation Reserve RM'000	Share Option Scheme RM'000	Legal Reserve RM'000	Warrant Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
At 1 May 2020	75,119	5,120	7,174	104	32	4,958	20,065	3,240	115,812	5,396	121,208
Profit for the period	-	-	-	-	-	-	-	3,841	3,841	159	4,000
Other comprehensive income	-	-	193	-	-	-	-	-	193	-	193
Total comprehensive income for the period	-	-	193	-	-	-	-	3,841	4,034	159	4,193
Issuance of ordinary shares pursuant to											
- ESOS	-	-	-	-	-	-	-	-	-	-	-
- warrants	-	-	-	-	-	-	-	-	-	-	-
At 31 July 2020	75,119	5,120	7,367	104	32	4,958	20,065	7,081	119,846	5,555	125,401

Notes:

- i) The previous financial year end of the Group has been changed from 31 December to 30 April. As such, there will be no comparative financial information available for the financial period ended 31 July 2020.
- ii) The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2020.
- iii) The accompanying notes are an integral part of this statement.

The Board wishes to announce the following unaudited results of the Group for the first quarter ended 31 July 2020.

Unaudited Condensed Consolidated Statement of Changes in Equity For The The Quarter Ended 31 July 2020 (cont'd)

	←————— Attributable to equity holders of the parent —————→							Retained Earnings	Non-controlling Interests	Total Equity
	←————— Non-distributable —————→			Distributable						
	Share Capital	Other Capital Reserve	Currency Translation Reserve	Share Option Scheme	Legal Reserve	Warrant Reserve	Revaluation Reserve	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Issuance of ordinary shares pursuant to										
- ESOS	-	-	-	-	-	-	-	-	-	-
- warrants	-	-	-	-	-	-	-	-	-	-
At 30 April 2020	-	-	-	-	-	-	-	-	-	-

Notes:

- i) The previous financial year end of the Group has been changed from 31 December to 30 April. As such, there will be no comparative financial information available for the financial period ended 31 July 2020.
- ii) The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2020.
- iii) The accompanying notes are an integral part of this statement.

D'NONCE TECHNOLOGY BHD.
(200001000687 / 503292-K)

The Board wishes to announce the following unaudited results of the Group for the first quarter ended 31 July 2020.

Unaudited Condensed Consolidated Statement of Cash Flows For The Period Ended 31 July 2020

	3 months ended	
	31/07/2020	31/07/2019
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	4,575	-
Adjustments for non-cash flows:		
Depreciation	2,003	-
Interest expense	819	-
Interest income	(83)	-
Provision for and written off of inventories	52	-
Non-operating items	258	-
Operating profit before working capital changes	<u>7,624</u>	-
Decrease in receivables	164	-
Decrease in inventories	3,099	-
Decrease in payables	<u>(1,320)</u>	-
Cash generated from operations	9,567	-
Tax refund	152	-
Interest paid	<u>(780)</u>	-
Net cash generated from operating activities	<u>8,939</u>	-
Cash Flows From Investing Activities		
Interest income	83	-
Purchase of property, plant and equipment	(788)	-
Proceeds from disposal of property, plant and equipment	2	-
Net changes to fixed deposit	<u>50</u>	-
Net cash used in investing activities	<u>(653)</u>	-
Cash Flows From Financing Activities		
Repayment of short term borrowings	(4,840)	-
Repayment of lease liabilities	(253)	-
Repayment of hire purchase and lease financing	(644)	-
Repayment of term loans	<u>(213)</u>	-
Net cash used in financing activities	<u>(5,950)</u>	-

D'NONCE TECHNOLOGY BHD.
(200001000687 / 503292-K)

The Board wishes to announce the following unaudited results of the Group for the first quarter ended 31 July 2020.

Unaudited Condensed Consolidated Statement of Cash Flows For The Period Ended 31 July 2020
(cont'd)

	3 months ended	
	31/07/2020	31/07/2019
	RM'000	RM'000
Net increase in cash and cash equivalents	2,336	-
Effect of exchange rate changes	(81)	-
Cash and cash equivalents at beginning of the period	5,527	-
Cash and cash equivalents at end of the period	<u>7,782</u>	<u>-</u>
Cash and cash equivalents comprise:		
Cash and bank balances	33,777	-
Bank overdraft - secured	(3,633)	-
	<u>30,144</u>	<u>-</u>
Less: Deposits with licensed banks for more than 3 months and pledged with licensed banks	<u>(22,362)</u>	<u>-</u>
	<u>7,782</u>	<u>-</u>

Reconciliation of liabilities arising from financing activities:

	Carrying amount as at 1 May 2020	Cash flows	Non-cash changes Others	Carrying amount as at 31 July 2020
	RM'000	RM'000	RM'000	RM'000
Short term borrowings	27,528	(4,840)	-	22,688
Hire purchase and lease financing	6,388	(644)	-	5,744
Term loans	10,006	(213)	-	9,793
	<u>43,922</u>	<u>(5,697)</u>	<u>-</u>	<u>38,225</u>

Notes:

- i) The previous financial year end of the Group has been changed from 31 December to 30 April. As such, there will be no comparative financial information available for the financial period ended 31 July 2020.
- ii) The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2020.
- iii) The accompanying notes are an integral part of this statement.

Notes to the condensed consolidated interim financial statements of the Group for the first quarter ended 31 July 2020.

1 Basis of Preparation

The interim financial statement is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). These interim financial report also comply with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board.

The interim financial statement should be read in conjunction with the audited financial statements of the Group for the year ended 30 April 2020. The explanatory notes attached to the 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 30 April 2020.

2 Significant Accounting Policies

The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 30 April 2020 except for the adoption of new MFRSs and Interpretations and Amendments to certain MFRSs which are effective for the Group from 1 May 2020.

Amendments to References to the Conceptual Framework in MFRS Standards
Amendments to MFRS 3: Definition of a Business
Amendments to MFRS 101 and MFRS 108: Definition of Material
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform
Amendments to MFRS 16: Covid-19-Related Rent Concessions

Adoption of these new MFRSs and Interpretations and Amendments to certain MFRSs did not have any material effect on the financial performance or position of 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 30 April 2020 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 19.

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

As at the quarter ended 31 July 2020, there were no new ordinary shares issued and allotted pursuant to the exercise of the Employee Share Option Scheme ("ESOS") and warrants. Details of the issued and paid-up capital and the ESOS reserve and Warrant reserve of the Company as at 31 July 2020 are as follows:

Share Capital

	No. of shares	RM'000
As at 30 April 2020	262,257,900	75,119
Ordinary shares issued pursuant to the ESOS	-	-
Ordinary shares issued pursuant to the warrants	-	-
As at 31 July 2020	262,257,900	75,119

ESOS Reserve

	No. of options	RM'000
As at 30 April 2020	787,500	104
Exercised	-	-
As at 31 July 2020	787,500	104

Warrant Reserve

	No. of options	RM'000
As at 30 April 2020	50,959,200	4,958
Exercised	-	-
As at 31 July 2020	50,959,200	4,958

Other than the above, there were no issuances or repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares or resale of treasury shares for the current financial period.

8 Dividend Paid

No dividend was paid during the financial year to date.

D'NONCE TECHNOLOGY BHD.
(200001000687 / 503292-K)

9 Segmental Reporting

(a) The Group's segmental analysis is as follows:

By business segments

Period ended 31-Jul-20	Integrated Supply Chain Products and Services	Contract Manufacturing Services	Supply of Packaging and Other Materials	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE						
External revenue	2,524	3,850	38,202	-	-	44,576
Inter-segment revenue	914	643	2,651	-	(4,208)	-
Total segment revenue	3,438	4,493	40,853	-	(4,208)	44,576
RESULTS						
Segment results	(613)	37	7,511	(73)	-	6,862
Unallocated expenses						(1,468)
Operating profit						5,394
Finance costs, net						(819)
Profit before taxation						4,575
Taxation						(575)
Profit after taxation						4,000
Segment assets	5,729	13,498	166,997	8,359	-	194,583
Unallocated assets						1,956
Total assets						196,539
Segment liabilities	2,542	5,408	61,810	113	-	69,873
Unallocated liabilities						1,265
Total liabilities						71,138

[The remainder of this page is intentionally left blank]

D'NONCE TECHNOLOGY BHD.
(200001000687 / 503292-K)

9 Segmental Reporting (cont'd)

(a) The Group's segmental analysis is as follows (cont'd):

By business segments

Period ended 31-Jul-19	Integrated Supply Chain Products and Services	Contract Manufacturing Services	Supply of Packaging and Other Materials	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE						
External revenue	-	-	-	-	-	-
Inter-segment revenue	-	-	-	-	-	-
Total segment revenue	-	-	-	-	-	-
RESULTS						
Segment results	-	-	-	-	-	-
Unallocated expenses						-
Operating profit						-
Finance costs, net						-
Profit before taxation						-
Taxation						-
Profit after taxation						-
Segment assets	-	-	-	-	-	-
Unallocated assets						-
Total assets						-
Segment liabilities	-	-	-	-	-	-
Unallocated liabilities						-
Total liabilities						-

[The remainder of this page is intentionally left blank]

D'NONCE TECHNOLOGY BHD.
(200001000687 / 503292-K)

9 Segmental Reporting (cont'd)

(b) The Group's segmental analysis is as follows:

By customer segments

Period ended 31-Jul-20	Healthcare	Electrical & Electronics	Manufacturing & Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE					
External revenue	15,648	25,109	3,819	-	44,576
Inter-segment revenue	999	3,176	34	(4,209)	-
Total segment revenue	16,647	28,285	3,853	(4,209)	44,576
RESULTS					
Segment results	2,827	3,836	199	-	6,862
Unallocated expenses					(1,468)
Operating profit					5,394
Finance costs, net					(819)
Profit before taxation					4,575
Taxation					(575)
Profit after taxation					4,000
Segment assets	57,459	105,721	31,403	-	194,583
Unallocated assets					1,956
Total assets					196,539
Segment liabilities	18,080	46,569	5,224	-	69,873
Unallocated liabilities					1,265
Total liabilities					71,138

The Group has decided to present the segment reporting by customer business commencing from this financial year instead of by business segment as was reported previously. This is in line with the Group's re-alignment of its management focus to be on its customers business to better utilise it's resources going forward.

[The remainder of this page is intentionally left blank]

D'NONCE TECHNOLOGY BHD.
(200001000687 / 503292-K)

9 Segmental Reporting (cont'd)

(b) The Group's segmental analysis is as follows (cont'd):

By customer segments

Period ended 31-Jul-19	Healthcare	Electrical & Electronics	Manufacturing & Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE					
External revenue	-	-	-	-	-
Inter-segment revenue	-	-	-	-	-
Total segment revenue	-	-	-	-	-
RESULTS					
Segment results	-	-	-	-	-
Unallocated expenses					-
Operating profit					-
Finance costs, net					-
Profit before taxation					-
Taxation					-
Profit after taxation					-
Segment assets	-	-	-	-	-
Unallocated assets					-
Total assets					-
Segment liabilities	-	-	-	-	-
Unallocated liabilities					-
Total liabilities					-

[The remainder of this page is intentionally left blank]

D'NONCE TECHNOLOGY BHD.
(200001000687 / 503292-K)

10 Subsequent Material Event

There were no significant subsequent material events that have taken place subsequent to the statements of financial position date other than material litigation as mentioned in Note 23.

11 Changes in the Composition of the Group

There were no significant changes in the composition of the Group for the current financial quarter and financial period to date.

12 Changes in Contingent Liabilities and Assets

The Company provided corporate guarantees amounting to RM41.03 million (30 April 2020: RM47.56 million) for the banking facilities granted to certain subsidiary companies.

13 Capital Commitments

The amount of commitments not provided for in the interim financial statements as at 31 July 2020 are as follows:

	RM'000
Approved and contracted for:	
- Land and building	3,870
- Development rights	2,000
Approved but not yet contracted for:	
- Plant and Machinery	8,000
Total Capital Commitments	13,870

D'NONCE TECHNOLOGY BHD.
(200001000687 / 503292-K)

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

The performance analysis of D'nonce Technology Bhd for the financial year 31 July 2020 ("Q1'21") is as follows:

	Quarter 1 ("Q1")		Year-To-Date ("YTD")	
	FY2021 RM'000	FY2020 RM'000	FY2021 RM'000	FY2020 RM'000
Revenue	44,576	-	44,576	-
Operating profit	7,397	-	7,397	-
Profit before interest and tax	5,394	-	5,394	-
Profit before tax	4,575	-	4,575	-
Profit after tax	4,000	-	4,000	-
Profit attributable to ordinary equity holders of the parent	3,841	-	3,841	-

Group

The Group achieved revenue of RM44.6 million for the current quarter and year to date under review respectively.

Revenue for the current quarter was contributed by the electrical and electronics customer segment of RM25.1 million, followed by the healthcare customer segment of RM15.7 million and other segments contributing RM3.8 million.

The electrical and electronics customer segment contributed RM3.8 million in results, mainly from the subsidiaries in Malaysia, while the healthcare customer segment contributed RM2.8 million in results, mainly from the subsidiaries in Thailand. Another RM0.2 million in results was contributed by the other segments.

The Group posted a year to date profit attributable to ordinary equity holders of the parent of RM3.8 million after accounting for unallocated expenses and finance costs for the group.

The previous financial year end of the Group has been changed from 31 December to 30 April. As such, there will be no comparative financial information available for the financial period ended 31 July 2020.

[The remainder of this page is intentionally left blank]

15 Material Changes in Profit/(Loss) Before Taxation Against Preceding Quarter

	Q1'21 (3 Months) 31 July 2020 RM'000	Q6'19 (1 Month) 30 April 2020 RM'000	Variance %
Revenue	44,576	11,602	284%
Operating profit	7,397	738	902%
Profit before interest and tax	5,394	100	5294%
Profit/(Loss) before tax	4,575	(62)	7479%
Profit/(Loss) after tax	4,000	(530)	855%
Profit/(Loss) attributable to ordinary equity holders of the parent	3,841	(588)	753%

Group

The Group achieved RM44.6 million in revenue in the current quarter, for the period of 3 months and compared to RM11.6 million for the preceding quarter which was for 1 month. The profit attributable to the ordinary equity holders of the parent was RM3.8 million as compared to a loss of RM0.6 million for the preceding quarter.

16 Prospects

Moving forward, we anticipate that the uncertainties in the domestic and global business environment to persist in 2020, with the Coronavirus (COVID-19) pandemic. The Group, however has increased its involvement in the healthcare sector with a major part of its earnings derived from it. We are also implementing various measures to manage the uncertainties and the potential impact, and also be prepared for any opportunities brought on by the current situation.

The Group expects the road ahead to be challenging and we remain cautiously optimistic in the pursuit of our goals and cost efficiencies with the right strategy and resources. The Group remains committed to delivering long-term value for our shareholders through sustainability and stability of its businesses.

17 Variance of Actual Profit from Forecast Profit

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

18 Taxation

	Current Quarter		Cumulative Quarter	
	31 July 2020 RM'000	31 July 2019 RM'000	31 July 2020 RM'000	31 July 2019 RM'000
Current tax:				
Current period	(573)	-	(573)	-
Prior period	-	-	-	-
Deferred tax:				
Current period	12	-	12	-
Prior period	(14)	-	(14)	-
Tax expenses	(575)	-	(575)	-

The effective tax rate for the current financial period was lower than the statutory tax rate principally due to certain profitable subsidiaries had carried forward tax losses from previous year which can be used to offset against their taxable profits this year.

19 Status of Corporate Proposal

There are no corporate proposals outstanding other than as disclosed below:

(a) Acquisition of Property by Subsidiary Company

On 23 August 2018, the Board of Directors of the Company announced that its subsidiary company, D'nonce (Kelantan) Sdn Bhd entered into a Sale and Purchase Agreement with Kelantan Match Factory Sdn Bhd to purchase all those pieces of leasehold land held under H.S.(D) 717, PT 1502 and H.S.(D) 718, PT 1503, both of Mukim Kemumin, Daerah Jajahan Kota Bharu, Negeri Kelantan together with factory buildings at the purchase price of RM4,300,000 subject to the terms and conditions as stipulated in the Sale and Purchase Agreement.

For further details, please refer to Bursa website for the announcement made by the Company.

Other than the above, there are no other corporate proposals announced as at the date of this report.

[The remainder of this page is intentionally left blank]

20 Group Borrowings and Debt Securities

The Group Borrowings as at 31 July 2020 were as follows:

	As At 31 July 2020	
	Foreign Denomination '000	RM'000
Secured:		
Short Term (Denominated in THB)		
Bank overdrafts	26,935	3,642
Bankers' acceptance	-	-
Trust receipts	11,102	1,501
Factoring	6,576	889
Promissory note	26,021	3,518
Term loans	2,964	401
Hire purchases and lease creditors	5,248	710
	78,846	10,661
Short Term (Denominated in RM)		
Bank overdrafts	-	(9)
Bankers' acceptance	-	6,731
Trust receipts	-	-
Revolving credits	-	10,050
Term loans	-	751
Hire purchases and lease creditors	-	1,424
	78,846	29,608
Long Term (Denominated in THB)		
Term loans	4,942	668
Hire purchases and lease creditors	11,638	1,573
	16,580	2,241
Long Term (Denominated in RM)		
Term loans	-	7,911
Hire purchases and lease creditors	-	2,098
	16,580	12,250
Total	95,426	41,858

Total borrowings as at 31 July 2020

		Exchange Rate	RM'000
(a) in Thai Baht	THB 95,426,000	0.1352	12,902
(b) in Ringgit Malaysia	RM 28,956,000	-	28,956
			41,858

20 Group Borrowings and Debt Securities (cont'd)

The Group Borrowings as at 31 July 2020 were as follows (cont'd):

	As At 31 July 2019	
	Foreign Denomination '000	RM'000
Secured:		
Short Term (Denominated in THB)		
Bank overdrafts	-	-
Bankers' acceptance	-	-
Revolving credits	-	-
Trust receipts	-	-
Factoring	-	-
Promissory note	-	-
Term loans	-	-
Hire purchases and lease creditors	-	-
	-	-
Short Term (Denominated in RM)		
Bank overdrafts	-	-
Bankers' acceptance	-	-
Revolving credits	-	-
Term loans	-	-
Hire purchases and lease creditors	-	-
	-	-
Long Term (Denominated in THB)		
Term loans	-	-
Hire purchases and lease creditors	-	-
	-	-
Long Term (Denominated in RM)		
Term loans	-	-
Hire purchases and lease creditors	-	-
	-	-
	-	-
Total	-	-

Total borrowings as at 31 July 2019

	Exchange Rate	RM'000
(a) in Thai Baht	THB Nil	-
(b) in Ringgit Malaysia	RM Nil	-
		-
		-

20 Group Borrowings and Debt Securities (cont'd)

There was no new major borrowing during the quarter to date other than new hire purchase for fixed assets netted against repayments of some borrowings.

The weighted average interest rate per annum of borrowings were as follows:

	31 July 2020	30 April 2020
Fixed rates	2.29% - 9.10%	2.29% - 9.10%
Floating rates	2.65% - 8.62%	2.65% - 8.62%

There is no hedging against RM on borrowings denominated in Thai Baht as they are used by Thailand subsidiaries for their own operational need.

21 Derivative Financial Instrument

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

22 Related Party Transactions

During the current quarter under review and up to the date of this announcement, the Group did not enter into any related party transactions or recurrent related party transactions of a revenue or trading nature that has, in consideration, value of the assets, capital outlay or cost of the Recurrent Related Party Transactions is RM1 million or more; or the percentage ratio of such Recurrent Related Party Transaction is 1% or more, whichever is the higher.

23 Material Litigation

(a) Penang High Court Suit No.: PA-22NCVC-196-12/2018

For further details, please refer to Bursa website for the announcement dated 7 December 2018, 13 December 2018, 11 February 2019, 27 February 2017, 22 March 2019, 17 April 2019, 13 May 2019, 14 May 2019, 17 May 2019, 28 May 2019, 10 June 2019, 27 September 2019, 30 October 2019 and 11 August 2020.

All proceedings in Suit 196 have been fully and finally settled as against all the parties to the Suit with no order as to costs.

23 Material Litigation (cont'd)

(b) Penang High Court Suit No.: PA-22NCC-41-12/2018

For further details, please refer to Bursa website for the announcement dated 14 February 2019, 27 February 2019, 22 March 2019, 17 April 2019, 21 May 2019, 13 June 2019, 19 June 2019 and 30 October 2019.

The Company is in the process of reaching a full settlement with the other parties in relation to this Suit, and will make an Announcement once all aspects of the settlement are finalised. Any further development will also be announced in due course.

24 Dividend

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

[The remainder of this page is intentionally left blank]

25 Earnings Per Share

	Current Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
Basic	31 July 2020	31 July 2019	31 July 2020	31 July 2019
Profit attributable to ordinary equity holders of the parent (RM'000)	3,841	N/A	3,841	N/A
Number of ordinary shares in issue ('000)	262,258	N/A	262,258	N/A
Basic earnings per share (sen)	1.46	N/A	1.46	N/A

	Current Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
Diluted	31 July 2020	31 July 2019	31 July 2020	31 July 2019
Profit attributable to ordinary equity holders of the parent (RM'000)	3,841	N/A	3,841	N/A
Weighted average number of ordinary shares in issue ('000)	268,001	N/A	268,001	N/A
Diluted earnings per share (sen)	1.43	N/A	1.43	N/A

D'NONCE TECHNOLOGY BHD.
(200001000687 / 503292-K)

26 Net Assets Per Share

	As At 31 July 2020 RM'000	As At 30 April 2020 RM'000
Total assets	196,539	200,156
Less: Total liabilities	(71,138)	(78,948)
Net Assets	125,401	121,208
<hr/>		
Number of ordinary shares in issue ('000) (Note 7)	262,258	262,258
<hr/>		
Net Assets Per Share (RM)	0.48	0.46

27 Authorisation For Issue

The Board of Directors authorised the issue of this unaudited interim financial statements on 3 September 2020.