



**D'NONCE GROUP OF COMPANIES**

**INTERIM FINANCIAL RESULTS**

**THIRD QUARTER ENDED 31 JANUARY 2021**

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

The Board wishes to announce the following unaudited results of the Group for the third quarter ended 31 January 2021.

**Unaudited Condensed Consolidated Statement of Financial Position As At 31 January 2021**

	<i>Note</i>	As At 31/01/2021 RM'000	As At 30/04/2020 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		70,211	72,570
Investment properties		13,294	13,539
Intangible assets		289	289
Trade receivable		205	321
Other receivable		12	1,448
Deferred tax assets		169	167
Right Of Use Asset		4,158	2,790
Cash and bank balances		-	128
		88,338	91,252
<b>Currents assets</b>			
Inventories		21,987	25,706
Trade receivables		33,381	30,958
Other receivables, deposits and prepayments		24,576	17,657
Contract assets		-	48
Tax recoverable		2,142	2,131
Cash and bank balances		37,428	32,404
		119,514	108,904
<b>TOTAL ASSETS</b>		<b>207,852</b>	<b>200,156</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital	7	92,802	75,119
Other capital reserve		5,120	5,120
Foreign currency translation reserve		7,417	7,174
Employees share option scheme reserve	7	37	104
Legal reserve		32	32
Warrant reserve	7	-	4,958
Revaluation reserve		19,812	20,065
Retained earnings		14,233	3,240
		139,453	115,812
<b>Non-controlling interests</b>		5,051	5,396
<b>Total equity</b>		<b>144,504</b>	<b>121,208</b>

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The Board wishes to announce the following unaudited results of the Group for the third quarter ended 31 January 2021.

**Unaudited Condensed Consolidated Statement of Financial Position As At 31 January 2021 (cont'd)**

		As At 31/01/2021	As At 30/04/2020
	<i>Note</i>	RM'000	RM'000
<b>Non-current liabilities</b>			
Retirement benefit obligations		2,320	2,183
Borrowings	<b>20</b>	11,164	12,802
Lease liabilities		2,059	1,994
Deferred tax liabilities		5,890	5,938
		<u>21,433</u>	<u>22,917</u>
<b>Current liabilities</b>			
Retirement benefit obligations		-	-
Borrowings	<b>20</b>	17,802	35,712
Lease liabilities		2,242	860
Trade payables		13,695	11,568
Other payables		7,077	7,720
Current tax payable		1,099	171
		<u>41,915</u>	<u>56,031</u>
<b>Total liabilities</b>		<u>63,348</u>	<u>78,948</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>207,852</u>	<u>200,156</u>
Net assets per share (RM)	<b>26</b>	<u>0.46</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 third quarter ended 31 January 2021.

**Unaudited Condensed Consolidated Income Statement For The Quarter Ended 31 January 2021**

	CURRENT QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	31/01/2021	31/01/2020	31/01/2021	31/01/2020
<i>Note</i>	RM'000	RM'000	RM'000	RM'000
Revenue	48,506	-	136,282	-
Operating expenses	(42,660)	-	(118,638)	-
Other income including investment income	969	-	2,937	-
Profit from operations	6,815	-	20,581	-
Depreciation	(2,093)	-	(6,180)	-
Foreign exchange gain/(loss)	61	-	(138)	-
Gain on disposal of property, plant and equipment	30	-	51	-
Interest expense	(593)	-	(2,104)	-
Interest income	176	-	433	-
Property, plant and equipment written off	(7)	-	(7)	-
Provision for and written off of inventories	(136)	-	(234)	-
Provision for and written off of receivables	(35)	-	(33)	-
Profit before taxation	4,218	-	12,369	-
Taxation	<b>18</b> (467)	-	(1,431)	-
Profit for the period	<u>3,751</u>	-	<u>10,938</u>	-
<b>Profit attributable to:</b>				
Owner of the parent	3,663	-	10,670	-
Non-controlling interests	88	-	268	-
	<u>3,751</u>	-	<u>10,938</u>	-
Earnings per share:	<b>25</b>			
(a) Basic (sen)	<u>1.25</u>	-	<u>3.73</u>	-
(b) Fully Diluted (sen)	<u>1.25</u>	-	<u>3.73</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 January 2021.
- 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.**  
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The Board wishes to announce the following unaudited results of the Group for the third quarter ended 31 January 2021.

**Unaudited Condensed Consolidated Income Statement For The Quarter Ended 31 January 2021**  
**(cont'd)**

	CURRENT QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	31/01/2021	31/01/2020	31/01/2021	31/01/2020
<i>Note</i>	RM'000	RM'000	RM'000	RM'000
Profit for the period	3,751	-	10,938	-
Other comprehensive income:				
Foreign currency translation				
differences for foreign operations	369	-	243	-
Total comprehensive income for the period	<u>4,120</u>	<u>-</u>	<u>11,181</u>	<u>-</u>
<b>Total comprehensive income attributable to:</b>				
Owner of the parent	4,032	-	10,913	-
Non-controlling interests	88	-	268	-
	<u>4,120</u>	<u>-</u>	<u>11,181</u>	<u>-</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 January 2021.
- 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 third quarter ended 31 January 2021.

**Unaudited Condensed Consolidated Statement of Changes in Equity For The Quarter Ended 31 January 2021**

	← Attributable to equity holders of the parent →							Retained Earnings	Total	Non-controlling Interests	Total Equity
	← Non-distributable →			Distributable							
	Share Capital	Other Capital Reserve	Foreign Currency Translation Reserve	Share Option Scheme Reserve	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	RM'000	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	-	-	-	-	-	-	-	10,670	10,670	268	10,938
Other comprehensive income	-	-	243	-	-	-	-	-	243	-	243
Total comprehensive income for the period	-	-	243	-	-	-	-	10,670	10,913	268	11,181
Issuance of ordinary shares pursuant to											
- ESOS	190	-	-	(67)	-	-	-	-	123	-	123
- warrants	17,493	-	-	-	-	(4,901)	-	-	12,592	-	12,592
	17,683	-	-	(67)	-	(4,901)	-	-	12,715	-	12,715
Expiry of Warrants	-	-	-	-	-	(57)	-	57	-	-	-
Disposal of revaluation of land and buildings	-	-	-	-	-	-	(253)	253	-	-	-
Acquisition of non controlling interests	-	-	-	-	-	-	-	13	13	(613)	(600)
At 31 January 2021	92,802	5,120	7,417	37	32	-	19,812	14,233	139,453	5,051	144,504

**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 January 2021.
- 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 third quarter ended 31 January 2021.

**Unaudited Condensed Consolidated Statement of Changes in Equity For The Quarter Ended 31 January 2021 (cont'd)**

	← Attributable to equity holders of the parent →								Retained Earnings RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	← Non-distributable →				Distributable						
	Share Capital RM'000	Other Capital Reserve RM'000	Foreign Currency Translation Reserve RM'000	Share Option Scheme Reserve RM'000	Legal Reserve RM'000	Warrant Reserve RM'000	Revaluation Reserve RM'000	Total 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:**

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- iii) The accompanying notes are an integral part of this statement.

**D'NONCE TECHNOLOGY BHD.**  
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The Board wishes to announce the following unaudited results of the Group for the third quarter ended 31 January 2021.

**Unaudited Condensed Consolidated Statement of Cash Flows For The Period Ended 31 January 2021**

	9 months ended	
	31/01/2021	31/01/2020
	RM'000	RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	12,369	-
Adjustments for non-cash flows:		
Depreciation	6,180	-
Gain on disposal of property, plant and equipment	(51)	-
Interest expense	2,104	-
Interest income	(433)	-
Provision for and written off of inventories	234	-
Provision for and written off of receivables	33	-
Non-operating items	379	-
Operating profit before working capital changes	20,822	-
Increase in receivables	(7,939)	-
Decrease in inventories	3,539	-
Increase in payables	1,482	-
Cash generated from operations	17,904	-
Tax paid	(562)	-
Interest paid	(1,899)	-
Net cash generated from operating activities	15,409	-
<b>Cash Flows From Investing Activities</b>		
Interest income	433	-
Purchase of property, plant and equipment	(2,962)	-
Proceeds from disposal of property, plant and equipment	615	-
Proceeds from disposal of investment properties	-	-
Net changes to fixed deposit	(275)	-
Acquisition of non-controlling interests	(600)	-
Net cash used in investing activities	(2,789)	-
<b>Cash Flows From Financing Activities</b>		
Proceeds from exercise of ESOS	123	-
Proceeds from exercise of warrants	12,592	-
Repayment of short term borrowings	(15,267)	-
Repayment of lease liabilities	(987)	-
Repayment of hire purchase and lease financing	(1,566)	-
Repayment of term loans	(848)	-
Net cash used in financing activities	(5,953)	-



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The Board wishes to announce the following unaudited results of the Group for the third quarter ended 31 January 2021.

**Unaudited Condensed Consolidated Statement of Cash Flows For The Period Ended 31 January 2021**  
**(cont'd)**

	9 months ended	
	31/01/2021	31/01/2020
	RM'000	RM'000
Net increase in cash and cash equivalents	6,667	-
Effect of exchange rate changes	(178)	-
Cash and cash equivalents at beginning of the period	5,527	-
Cash and cash equivalents at end of the period	12,016	-
Cash and cash equivalents comprise:		
Cash and bank balances	37,428	-
Bank overdraft - secured	(2,725)	-
	34,703	-
Less: Deposits with licensed banks for more than 3 months and pledged with licensed banks	(22,687)	-
	12,016	-

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 January 2021
	RM'000	RM'000	RM'000	RM'000
Short term borrowings	27,528	(15,267)	-	12,261
Hire purchase and lease financing	6,388	(1,566)	-	4,822
Term loans	10,006	(848)	-	9,158
	43,922	(17,681)	-	26,241

**Notes:**

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- 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 third quarter ended 31 January 2021.**

**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.

**Effective for financial periods beginning on or after 1 January 2021**

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform—Phase 2

**Effective for financial periods beginning on or after 1 January 2022**

Amendments to MFRS 3: Business Combinations – Reference to the Conceptual Framework

Amendments to MFRS 116: Property, Plant and Equipment—Proceeds before Intended Use

Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts—Cost of Fulfilling a Contract

## **2 Significant Accounting Policies (cont'd)**

### **Effective for financial periods beginning on or after 1 January 2023**

Amendments to MFRS 17: Insurance Contracts

Amendments to MFRS 101: Classification of Liabilities as Current or Non-current

### **Deferred**

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

The Directors expect that the adoption of these new MFRSs and Interpretations and Amendments will have no material impact on the financial statements in the period of initial application.

## **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 January 2021, a total of 12,053,600 new ordinary shares were 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 of the Company as at 31 January 2021 are as follows:

**Share Capital**

	<b>No. of shares</b>	<b>RM'000</b>
As at 31 October 2020	301,064,700	88,611
Ordinary shares issued pursuant to the ESOS	123,500	48
Ordinary shares issued pursuant to the warrants	11,930,100	4,143
As at 31 January 2021	313,118,300	92,802

**ESOS Reserve**

	<b>No. of options</b>	<b>RM'000</b>
As at 31 October 2020	391,500	54
Exercised	(123,500)	(17)
As at 31 January 2021	268,000	37

**Warrant Reserve**

	<b>No. of options</b>	<b>RM'000</b>
As at 31 October 2020	12,520,400	1,218
Exercised	(11,930,100)	(1,161)
Expired	(590,300)	(57)
As at 31 January 2021	-	-

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**

The Group's segmental analysis is as follows:

By customer segments

Period ended 31-Jan-21	Healthcare	Electrical & Electronics	Others *	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>					
External revenue	45,392	71,564	19,326	-	136,282
Inter-segment revenue	3,173	7,305	3,325	(13,803)	-
<b>Total segment revenue</b>	<b>48,565</b>	<b>78,869</b>	<b>22,651</b>	<b>(13,803)</b>	<b>136,282</b>
<b>RESULTS</b>					
<b>Segment results</b>	<b>7,671</b>	<b>10,538</b>	<b>822</b>	<b>-</b>	<b>19,031</b>
Unallocated expenses					(4,558)
Operating profit					14,473
Finance costs, net					(2,104)
Profit before taxation					12,369
Taxation					(1,431)
Profit after taxation					10,938
<b>Segment assets</b>	<b>59,598</b>	<b>114,370</b>	<b>30,661</b>	<b>-</b>	<b>204,629</b>
Unallocated assets					3,223
<b>Total assets</b>					<b>207,852</b>
<b>Segment liabilities</b>	<b>16,227</b>	<b>41,022</b>	<b>5,942</b>	<b>-</b>	<b>63,191</b>
Unallocated liabilities					157
<b>Total liabilities</b>					<b>63,348</b>

\* Others is pertaining to automotive, furniture and other industries.

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**D'NONCE TECHNOLOGY BHD.**  
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**9 Segmental Reporting (cont'd)**

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

By customer segments

Period ended 31-Jan-20	Healthcare	Electrical & Electronics	Others *	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>					
External revenue	-	-	-	-	-
Inter-segment revenue	-	-	-	-	-
<b>Total segment revenue</b>	-	-	-	-	-
<b>RESULTS</b>					
<b>Segment results</b>	-	-	-	-	-
Unallocated expenses					-
Operating profit					-
Finance costs, net					-
Profit before taxation					-
Taxation					-
Profit after taxation					-
<b>Segment assets</b>	-	-	-	-	-
Unallocated assets					-
<b>Total assets</b>					-
<b>Segment liabilities</b>	-	-	-	-	-
Unallocated liabilities					-
<b>Total liabilities</b>					-

\* Others is pertaining to automotive, furniture and other industries.

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**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 RM28.36 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 January 2021 are as follows:

	<b>RM'000</b>
Approved and contracted for:	
- Land and building	3,870
- Plant and Machinery	2,290
Approved but not yet contracted for:	
- Plant and Machinery	2,430
<b>Total Capital Commitments</b>	<b>8,590</b>

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**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 January 2021 ("Q3'21") is as follows:

	Quarter 3		Year-To-Date	
	FY2021 RM'000	FY2020 RM'000	FY2021 RM'000	FY2020 RM'000
Revenue	48,506	-	136,282	-
Operating profit	6,815	-	20,581	-
Profit before interest and tax	4,811	-	14,473	-
Profit before tax	4,218	-	12,369	-
Profit after tax	3,751	-	10,938	-
Profit attributable to ordinary equity holders of the parent	3,663	-	10,670	-

**Group**

The Group achieved revenue of RM48.5 million and RM136.3 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 RM21.9 million, followed by the healthcare customer segment of RM14.7 million and other segments contributing RM11.9 million.

The electrical and electronics customer segment contributed RM3.5 million in segment results, mainly from the subsidiaries in Malaysia, while the healthcare customer segment contributed RM2.7 million in segment results, mainly from a subsidiary in Thailand. Another RM0.6 million in segment results was contributed by the other segments.

The Group posted profit attributable to ordinary equity holders of parent of RM3.7 million for the current quarter due to the consistent revenue and profitability that was carried over from the previous quarters.

The Group posted a year to date profit attributable to ordinary equity holders of the parent of RM10.7 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 January 2021.

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**15 Material Changes in Profit Before Taxation Against Preceding Quarter**

	<b>Q3'21</b> <b>31 January 2021</b> <b>RM'000</b>	<b>Q2'21</b> <b>31 October 2020</b> <b>RM'000</b>	<b>Variance</b>  <b>%</b>
Revenue	48,506	43,200	12%
Operating profit	6,815	6,369	7%
Profit before interest and tax	4,811	4,268	13%
Profit before tax	4,218	3,576	18%
Profit after tax	3,751	3,187	18%
Profit attributable to ordinary equity holders of the parent	3,663	3,166	16%

**Group**

The Group achieved RM48.5 million in revenue for the current quarter, an increase of RM5.3 million or 12% as compared to RM43.2 million in the preceding quarter. The profit attributable to the ordinary equity holders of the parent was RM3.7 million, an increase of RM0.5 million or 16% as compared to a profit attributable to ordinary equity holders of the parent of RM3.2 million in the previous quarter.

The performance by business segments are further analysed as below:

**Healthcare**

The revenue for this segment was RM14.7 million for the current quarter as compared to RM15.0 million in the preceding quarter. The segment generated RM2.7 million in segment results as compared to RM2.2 million in the last quarter.

**Electrical and Electronics**

The revenue for this segment was RM21.9 million for the current quarter as compared to RM24.6 million in the preceding quarter. The segment generated RM3.5 million in segment results as compared to RM3.2 million in the last quarter.

**Others**

The revenue for this segment was RM11.9 million for the current quarter as compared to RM3.6 million in the preceding quarter. The increase is mainly due to reclassification of revenue from the electrical and electronics segment to Others segment. The segment generated RM0.6 million in segment results as compared to RM24,000 in the last quarter.

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**16 Prospects**

While the global business environment is expected to gradually recover towards the second half of the year with the roll out of vaccination programme, the Group is expected to solidify its position in offering effective packaging and design solutions for the manufacturing, electrical and electronics and healthcare sectors.

The Group will continue its efforts to put in place cost saving measures and remain 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 January 2021 RM'000	31 January 2020 RM'000	31 January 2021 RM'000	31 January 2020 RM'000
Current tax:				
Current period	(869)	-	(1,832)	-
Prior period	353	-	353	-
Deferred tax:				
Current period	49	-	62	-
Prior period	-	-	(14)	-
<b>Tax expenses</b>	<b>(467)</b>	<b>-</b>	<b>(1,431)</b>	<b>-</b>

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**

Warrants 2015/2020 ("Warrants")

On 25 November 2020 at 5pm, the exercise rights of the Warrants has expired. Out of the total 90,202,000 Warrants issued by the Company on 26 November 2015, 89,611,700 Warrants have been exercised by the holders to subscribe for 89,611,700 new Company share at RM0.25 per Warrant. The balance of Warrants not exercised of 590,300 has lapsed and became null and void and ceased to be valid for any purpose.

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

**20 Group Borrowings and Debt Securities**

The Group Borrowings as at 31 January 2021 were as follows:

	As At 31 January 2021	
	Foreign Denomination '000	RM'000
<b>Secured:</b>		
<b>Short Term (Denominated in THB)</b>		
Bank overdrafts	20,196	2,730
Bankers' acceptance	-	-
Trust receipts	8,350	1,129
Factoring	1,370	185
Promissory note	13,997	1,892
Term loans	2,964	401
Hire purchases and lease creditors	3,195	432
	50,072	6,769
<b>Short Term (Denominated in RM)</b>		
Bank overdrafts	-	(5)
Bankers' acceptance	-	6,705
Trust receipts	-	-
Revolving credits	-	2,350
Term loans	-	752
Hire purchases and lease creditors	-	1,231
	50,072	17,802
<b>Long Term (Denominated in THB)</b>		
Term loans	3,460	468
Hire purchases and lease creditors	10,425	1,409
	13,885	1,877
<b>Long Term (Denominated in RM)</b>		
Term loans	-	7,537
Hire purchases and lease creditors	-	1,750
	13,885	11,164
<b>Total</b>	<b>63,957</b>	<b>28,966</b>

**Total borrowings as at 31 January 2021**

		Exchange Rate	RM'000
(a) in Thai Baht	THB 63,957,000	0.1352	8,646
(b) in Ringgit Malaysia	RM 20,320,000	-	20,320
			<u>28,966</u>

**20 Group Borrowings and Debt Securities (cont'd)**

The Group Borrowings as at 31 January 2021 were as follows (cont'd):

	As At 31 January 2020	
	Foreign Denomination '000	RM'000
<b>Secured:</b>		
<b>Short Term (Denominated in THB)</b>		
Bank overdrafts	-	-
Bankers' acceptance	-	-
Revolving credits	-	-
Trust receipts	-	-
Factoring	-	-
Promissory note	-	-
Term loans	-	-
Hire purchases and lease creditors	-	-
	-	-
<b>Short Term (Denominated in RM)</b>		
Bank overdrafts	-	-
Bankers' acceptance	-	-
Revolving credits	-	-
Term loans	-	-
Hire purchases and lease creditors	-	-
	-	-
<b>Long Term (Denominated in THB)</b>		
Term loans	-	-
Hire purchases and lease creditors	-	-
	-	-
<b>Long Term (Denominated in RM)</b>		
Term loans	-	-
Hire purchases and lease creditors	-	-
	-	-
	-	-
<b>Total</b>	-	-

**Total borrowings as at 31 January 2020**

	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:

	<b>31 January 2021</b>	<b>30 April 2020</b>
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**

### **Penang High Court Originating Summons No. PA-24NCvC-184-03/2021**

Following the termination of the Joint Venture Agreement dated 17 May 2019 (the “JVA”) between Fajar Simfoni Sdn Bhd (“Fajar Simfoni”) and D’nonce Properties Sdn Bhd (“DPSB”, a wholly-owned subsidiary of the Company), DPSB had through its solicitors demanded that Fajar Simfoni withdraws Private Caveat (No. Perserahan 0701B2019001961) (the “Private Caveat”) which Fajar Simfoni had lodged in respect of the land which was subject to the JVA (Geran Mukim 1496, Lot 10320, Mukim 10, Daerah Seberang Perai Tengah, Negeri Pulau Pinang).

Among other grounds, Fajar Simfoni is required under Clause 5.19 of the JVA to withdraw unconditionally the Private Caveat upon the termination, for any reason, of the JVA. Therefore, DPSB has filed the Originating Summons referred to above for the purpose of, among other remedies sought, the removal of the Private Caveat. The matter is ongoing.

## **24 Dividend**

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

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**25 Earnings Per Share**

	Current Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
<b>Basic</b>	<b>31 January 2021</b>	<b>31 January 2020</b>	<b>31 January 2021</b>	<b>31 January 2020</b>
Profit attributable to ordinary equity holders of the parent (RM'000)	3,663	N/A	10,670	N/A
Weighted average number of ordinary shares in issue ('000)	294,014	N/A	285,779	N/A
<b>Basic earnings per share (sen)</b>	<b>1.25</b>	<b>N/A</b>	<b>3.73</b>	<b>N/A</b>

	Current Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
<b>Diluted</b>	<b>31 January 2021</b>	<b>31 January 2020</b>	<b>31 January 2021</b>	<b>31 January 2020</b>
Profit attributable to ordinary equity holders of the parent (RM'000)	3,663	N/A	10,670	N/A
Weighted average number of ordinary shares in issue ('000)	294,164	N/A	285,905	N/A
<b>Diluted earnings per share (sen)</b>	<b>1.25</b>	<b>N/A</b>	<b>3.73</b>	<b>N/A</b>

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**26 Net Assets Per Share**

	<b>As At 31 January 2021 RM'000</b>	<b>As At 30 April 2020 RM'000</b>
Total assets	207,852	200,156
Less: Total liabilities	(63,348)	(78,948)
<b>Net Assets</b>	<b>144,504</b>	<b>121,208</b>
Number of ordinary shares in issue ('000) (Note 7)	313,118	262,258
<b>Net Assets Per Share (RM)</b>	<b>0.46</b>	<b>0.46</b>

**27 Authorisation For Issue**

The Board of Directors authorised the issue of this unaudited interim financial statements on 23 March 2021.