



**D'NONCE GROUP OF COMPANIES**

**INTERIM FINANCIAL RESULTS**

**FIRST QUARTER ENDED 31 JULY 2021**

**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 2021.

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

	<i>Note</i>	<b>As At 31/07/2021 RM'000</b>	<b>As At 30/04/2021 RM'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		67,325	68,022
Investment properties		13,130	13,212
Intangible assets		289	289
Trade receivable		142	178
Other receivable		13	91
Deferred tax assets		161	165
Right Of Use Asset		3,734	4,151
		<u>84,794</u>	<u>86,108</u>
<b>Currents assets</b>			
Inventory property		425	425
Inventories		22,270	20,010
Trade receivables		28,236	30,183
Other receivables, deposits and prepayments		30,792	32,741
Contract assets		-	696
Tax recoverable		2,419	2,214
Cash and bank balances		38,528	40,830
		<u>122,670</u>	<u>127,099</u>
<b>TOTAL ASSETS</b>		<u>207,464</u>	<u>213,207</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital	7	92,806	92,806
Other capital reserve		5,120	5,120
Foreign currency translation reserve		5,317	6,089
Employees share option scheme reserve	7	35	35
Legal reserve		32	32
Warrant reserve		-	-
Revaluation reserve		19,284	19,284
Retained earnings		20,163	17,526
		<u>142,757</u>	<u>140,892</u>
<b>Non-controlling interests</b>		<u>5,103</u>	<u>5,078</u>
<b>Total equity</b>		<u>147,860</u>	<u>145,970</u>

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

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

	<i>Note</i>	As At 31/07/2021 RM'000	As At 30/04/2021 RM'000
<b>Non-current liabilities</b>			
Retirement benefit obligations		2,442	2,406
Borrowings	<i>20</i>	13,919	15,414
Lease liabilities		1,990	2,134
Deferred tax liabilities		5,940	5,945
		<u>24,291</u>	<u>25,899</u>
<b>Current liabilities</b>			
Borrowings	<i>20</i>	16,677	19,749
Lease liabilities		1,957	2,212
Trade payables		9,327	11,081
Other payables		7,035	7,969
Current tax payable		317	327
		<u>35,313</u>	<u>41,338</u>
<b>Total liabilities</b>		<u>59,604</u>	<u>67,237</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>207,464</u>	<u>213,207</u>
<b>Net assets per share (RM)</b>	<i>26</i>	<u>0.47</u>	<u>0.47</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 2021)**

**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 2021.

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

	CURRENT QUARTER		CUMULATIVE QUARTER	
	3 months ended		3 months ended	
	31/07/2021	31/07/2020	31/07/2021	31/07/2020
<i>Note</i>	RM'000	RM'000	RM'000	RM'000
Revenue	41,931	44,576	41,931	44,576
Operating expenses	(37,249)	(38,209)	(37,249)	(38,209)
Other income including investment income	1,124	1,030	1,124	1,030
Profit from operations	5,806	7,397	5,806	7,397
Depreciation	(2,139)	(2,003)	(2,139)	(2,003)
Foreign exchange loss	(113)	(31)	(113)	(31)
Interest expense	(583)	(819)	(583)	(819)
Interest income	61	83	61	83
Provision for write off of inventories	(12)	(52)	(12)	(52)
Reversal of provision for write off of receivables	1	-	1	-
Profit before taxation	3,021	4,575	3,021	4,575
Taxation	<i>18</i> (359)	(575)	(359)	(575)
Profit for the period	2,662	4,000	2,662	4,000
<b>Profit attributable to:</b>				
Owner of the parent	2,637	3,841	2,637	3,841
Non-controlling interests	25	159	25	159
	2,662	4,000	2,662	4,000
Earnings per share:	<i>25</i>			
(a) Basic (sen)	0.84	1.46	0.84	1.46
(b) Fully Diluted (sen)	0.84	1.43	0.84	1.43

**(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2021.)**

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 quarter ended 31 July 2021.

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

	CURRENT QUARTER		CUMULATIVE QUARTER	
	3 months ended		3 months ended	
<i>Note</i>	31/07/2021	31/07/2020	31/07/2021	31/07/2020
	RM'000	RM'000	RM'000	RM'000
Profit for the period	2,662	4,000	2,662	4,000
Other comprehensive (loss)/income:				
Foreign currency translation differences for foreign operations	(772)	193	(772)	193
Total comprehensive income for the period	<u>1,890</u>	<u>4,193</u>	<u>1,890</u>	<u>4,193</u>
<b>Total comprehensive income attributable to:</b>				
Owner of the parent	1,865	4,034	1,865	4,034
Non-controlling interests	25	159	25	159
	<u>1,890</u>	<u>4,193</u>	<u>1,890</u>	<u>4,193</u>

**(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2021.)**

**The accompanying notes are an integral part of this statement.**

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**(200001000687 / 503292-K)**

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

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

	← 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 2021	92,806	5,120	6,089	35	32	-	19,284	17,526	140,892	5,078	145,970
Profit for the period	-	-	-	-	-	-	-	2,637	2,637	25	2,662
Other comprehensive loss	-	-	(772)	-	-	-	-	-	(772)	-	(772)
Total comprehensive income for the period	-	-	(772)	-	-	-	-	2,637	1,865	25	1,890
Issuance of ordinary shares pursuant to											
- ESOS	-	-	-	-	-	-	-	-	-	-	-
- warrants	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
At 31 July 2021	92,806	5,120	5,317	35	32	-	19,284	20,163	142,757	5,103	147,860

(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 2021.)

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 first quarter ended 31 July 2021.

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

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

**(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 2021.)**

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 quarter ended 31 July 2021.

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

	<b>3 months ended</b>	
	<b>31/07/2021</b>	<b>31/07/2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	3,021	4,575
Adjustments for non-cash flows:		
Depreciation	2,139	2,003
Interest expense	583	819
Interest income	(61)	(83)
Provision for write off of inventories	12	52
Reversal of provision for write off of receivables	(1)	-
Non-operating items	245	258
Operating profit before working capital changes	<u>5,938</u>	<u>7,624</u>
Decrease in receivables	4,551	164
(Increase)/Decrease in inventories	(2,271)	3,099
Decrease in payables	<u>(2,686)</u>	<u>(1,320)</u>
Cash generated from operations	5,532	9,567
Tax (paid)/refund	(579)	152
Interest paid	<u>(513)</u>	<u>(780)</u>
Net cash generated from operating activities	<u>4,440</u>	<u>8,939</u>
<b>Cash Flows From Investing Activities</b>		
Interest income	61	83
Purchase of property, plant and equipment	(1,495)	(788)
Proceeds from disposal of property, plant and equipment	-	2
Net changes to fixed deposit	677	50
Net cash used in investing activities	<u>(757)</u>	<u>(653)</u>
<b>Cash Flows From Financing Activities</b>		
Repayment of short term borrowings	(2,989)	(4,840)
Repayment of lease liabilities	(468)	(253)
Repayment of hire purchase and lease financing	(460)	(644)
Repayment of term loans	(884)	(213)
Net cash used in financing activities	<u>(4,801)</u>	<u>(5,950)</u>



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

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

	<b>3 months ended</b>	
	<b>31/07/2021</b>	<b>31/07/2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Net (decrease)/increase in cash and cash equivalents	(1,118)	2,336
Effect of exchange rate changes	(273)	(81)
Cash and cash equivalents at beginning of the period	22,604	5,527
Cash and cash equivalents at end of the period	<u>21,213</u>	<u>7,782</u>
Cash and cash equivalents comprise:		
Cash and bank balances	38,528	33,777
Bank overdraft - secured	-	(3,633)
	<u>38,528</u>	<u>30,144</u>
Less: Deposits with licensed banks for more than 3 months and pledged with licensed banks	<u>(17,315)</u>	<u>(22,362)</u>
	<u>21,213</u>	<u>7,782</u>

Reconciliation of liabilities arising from financing activities:

	<b>Carrying amount as at 1 May 2021</b>	<b>Cash flows</b>	<b>Non-cash changes Others</b>	<b>Carrying amount as at 31 July 2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Short term borrowings	14,654	(2,989)	-	11,665
Hire purchase and lease financing	4,317	(460)	-	3,857
Term loans	15,958	(884)	-	15,074
	<u>34,929</u>	<u>(4,333)</u>	<u>-</u>	<u>30,596</u>

**(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2021.)**

**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 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 2021. 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 2021.

**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 2021 except for the adoption of new MFRSs and Interpretations and Amendments to certain MFRSs which are effective for the Group from 1 May 2021.

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

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 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  
Annual Improvements to MFRS Standards 2018 - 2020

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

MFRS 17: Insurance Contracts  
Amendments to MFRS 4: Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9  
Amendments to MFRS 17: Insurance Contracts  
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current  
Amendments to MFRS 101: Disclosure of Accounting Policies  
Amendments to MFRS 108: Definition of Accounting Estimates  
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

**Deferred**

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - 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 2021 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.

**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 2021, there were no new ordinary shares issued and allotted pursuant to the exercise of the Employee Share Option Scheme ("ESOS"), details of the issued and paid-up capital and the ESOS reserve of the Company as at 31 July 2021 are as follows:

**Share Capital**

	<b>No. of shares</b>	<b>RM'000</b>
As at 30 April 2021	313,127,300	92,806
Ordinary shares issued pursuant to the ESOS	-	-
As at 31 July 2021	313,127,300	92,806

**ESOS Reserve**

	<b>No. of options</b>	<b>RM'000</b>
As at 30 April 2021	259,000	35
Exercised	-	-
As at 31 July 2021	259,000	35

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.

**9 Segmental Reporting**

The Group's segmental analysis is as follows:

By customer segments

<b>Period ended</b> <b>31-Jul-21</b>	<b>Healthcare</b>	<b>Electrical and Electronics</b>	<b>Other Industries*</b>	<b>Others ^</b>	<b>Elimination</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>REVENUE</b>						
External revenue	14,844	22,198	4,889	-	-	41,931
Inter-segment revenue	1,265	2,392	677	-	(4,334)	-
<b>Total segment revenue</b>	<b>16,109</b>	<b>24,590</b>	<b>5,566</b>	<b>-</b>	<b>(4,334)</b>	<b>41,931</b>
<b>RESULTS</b>						
<b>Segment results</b>	<b>2,679</b>	<b>2,305</b>	<b>242</b>	<b>(107)</b>	<b>-</b>	<b>5,119</b>
Unallocated expenses						(1,515)
Operating profit						3,604
Finance costs, net						(583)
Profit before taxation						3,021
Taxation						(359)
Profit after taxation						2,662
<b>Segment assets</b>	<b>66,012</b>	<b>110,115</b>	<b>18,206</b>	<b>10,909</b>	<b>-</b>	<b>205,242</b>
Unallocated assets						2,222
<b>Total assets</b>						<b>207,464</b>
<b>Segment liabilities</b>	<b>21,183</b>	<b>34,799</b>	<b>2,610</b>	<b>502</b>	<b>-</b>	<b>59,094</b>
Unallocated liabilities						510
<b>Total liabilities</b>						<b>59,604</b>

\* Other industries is pertaining to automotive, furniture, food and beverage and other manufacturing industries.

^ Other is pertaining to dormant companies.

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**9 Segmental Reporting (cont'd)**

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

By customer segments

<b>Period ended</b> <b>31-Jul-20</b>	<b>Healthcare</b>	<b>Electrical and Electronics</b>	<b>Other Industries*</b>	<b>Others ^</b>	<b>Elimination</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>REVENUE</b>						
External revenue	15,648	25,109	3,819	-	-	44,576
Inter-segment revenue	999	3,176	34	-	(4,209)	-
<b>Total segment revenue</b>	<b>16,647</b>	<b>28,285</b>	<b>3,853</b>	<b>-</b>	<b>(4,209)</b>	<b>44,576</b>
<b>RESULTS</b>						
<b>Segment results</b>	<b>2,827</b>	<b>3,836</b>	<b>272</b>	<b>(73)</b>	<b>-</b>	<b>6,862</b>
Unallocated expenses						(1,468)
Operating profit						5,394
Finance costs, net						(819)
Profit before taxation						4,575
Taxation						(575)
Profit after taxation						4,000
<b>Segment assets</b>	<b>57,459</b>	<b>105,721</b>	<b>23,043</b>	<b>8,360</b>	<b>-</b>	<b>194,583</b>
Unallocated assets						1,956
<b>Total assets</b>						<b>196,539</b>
<b>Segment liabilities</b>	<b>18,080</b>	<b>46,569</b>	<b>5,111</b>	<b>113</b>	<b>-</b>	<b>69,873</b>
Unallocated liabilities						1,265
<b>Total liabilities</b>						<b>71,138</b>

\* Other industries is pertaining to automotive, furniture, food and beverage and other manufacturing industries.

^ Other is pertaining to dormant companies.

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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 RM30.11 million (30 April 2021: RM34.62 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 2021 are as follows:

<b>RM'000</b>	
Approved and contracted for:	
- Land and building	3,870
- Plant and Machinery	892
Approved but not yet contracted for:	
- Plant and Machinery	1,237
<b>Total Capital Commitments</b>	<b>5,999</b>

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

A comparison of D'nonce Technology Bhd's performance for the first quarter ended 31 July 2021 ("Q1'22") with the corresponding period last financial year ("Q1'21") is as follows:

	Quarter 1			Year-To-Date		
	FY2022 RM'000	FY2021 RM'000	Variance %	FY2022 RM'000	FY2021 RM'000	Variance %
Revenue	41,931	44,576	-6%	41,931	44,576	-6%
Operating profit	5,806	7,397	-22%	5,806	7,397	-22%
Profit before interest and tax	3,604	5,394	-33%	3,604	5,394	-33%
Profit before tax	3,021	4,575	-34%	3,021	4,575	-34%
Profit after tax	2,662	4,000	-33%	2,662	4,000	-33%
Profit attributable to ordinary equity holders of the parent	2,637	3,841	-31%	2,637	3,841	-31%

**Group**

During the current quarter, the Group was impacted by the COVID-19 pandemic, which resulted in operational disruptions in some of the subsidiaries and also disruptions across some of our customer's operations.

As a result, the Group achieved revenue of RM41.9 million for the current quarter as compared to RM44.6 million for the corresponding quarter last year, a reduction of RM2.7 million or 6%.

Revenue for the current quarter was contributed by the electrical and electronics customer segment of RM22.2 million (Q1'21: RM25.1 million), followed by the healthcare customer segment of RM14.8 million (Q1'21: RM15.7 million) and other segments contributing RM4.9 million (Q1'21: RM3.8 million).

The electrical and electronics customer segment contributed RM2.3 million (Q1'21: RM3.8 million) in segment results, mainly from the subsidiaries in Malaysia, while the healthcare customer segment contributed RM2.7 million (Q1'21: RM2.8 million) in segment results, mainly from a subsidiary in Thailand. Another RM0.2 million (Q1'21: RM0.3 million) in segment results was contributed by the other industries and RM0.1 million segment loss (Q1'21: RM0.1 million segment loss) from the others segment. The reduction in segment results as compared to the corresponding quarter last year was mainly due to the reduction in revenue, and the change in product mix for the electrical and electronics segment, in Q1'22.

Based on the above, the Group posted profit attributable to ordinary equity holders of parent of RM2.6 million for the current quarter, a decrease of RM1.2 million or 31% as compared to RM3.8 million for the same quarter last year.

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

	<b>Q1'22</b> <b>31 July 2021</b> <b>RM'000</b>	<b>Q4'21</b> <b>30 April 2021</b> <b>RM'000</b>	<b>Variance</b> <b>%</b>
Revenue	41,931	46,617	-10%
Operating profit	5,806	5,505	5%
Profit before interest and tax	3,604	3,583	1%
Profit before tax	3,021	3,001	1%
Profit after tax	2,662	2,858	-7%
Profit attributable to ordinary equity holders of the parent	2,637	2,831	-7%

**Group**

The Group achieved RM41.9 million in revenue for the current quarter, a decrease of RM4.7 million or 10% as compared to RM46.6 million in the preceding quarter. The reduction in revenue was mainly due to operational disruption from the COVID-19 pandemic. The profit attributable to the ordinary equity holders of the parent was RM2.6 million, a decrease of RM0.2 million or 7% as compared to a profit attributable to ordinary equity holders of the parent of RM2.8 million in the previous quarter.

The performance by business segments are further analysed as below:

**Healthcare**

The revenue for this segment was RM14.8 million for the current quarter as compared to RM15.6 million in the preceding quarter. The segment generated RM2.7 million in segment results as compared to RM3.9 million in the last quarter.

**Electrical and Electronics**

The revenue for this segment was RM22.2 million for the current quarter as compared to RM24.4 million in the preceding quarter. The segment generated RM2.3 million in segment results as compared to RM1.3 million in the last quarter. The increase is mainly due to product mix coupled with one off adjustments in the prior quarter.

**Other Industries**

The revenue for this segment was RM4.9 million for the current quarter as compared to RM6.6 million in the preceding quarter. The segment generated RM0.2 million in segment results as compared to RM0.1 million loss in the last quarter.

**Others**

The segment generated RM0.1 million loss for the current quarter and in the last quarter.

**16 Prospects**

The pandemic has significantly disrupted many business operations globally. While the Group has experienced some operational disruptions during this period, there has been opportunities in the healthcare and electrical and electronics industries in which the Group has benefitted from. As the outbreak continues to evolve, it is challenging to predict the full extent and duration of its impact on the global economy. Stringent safety and cost cutting measures have been taken to minimise the Group's impact arising from this pandemic.

Notwithstanding the challenging environment, the Group remains cautiously optimistic of its business with the expectation of continued strong demand from the healthcare and electrical and electronics industries.

**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 2021 RM'000	31 July 2020 RM'000	31 July 2021 RM'000	31 July 2020 RM'000
Current tax:				
Current period	(365)	(573)	(365)	(573)
Deferred tax:				
Current period	17	12	17	12
Prior period	(11)	(14)	(11)	(14)
<b>Tax expenses</b>	<b>(359)</b>	<b>(575)</b>	<b>(359)</b>	<b>(575)</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**

Proposed Private Placement of New Ordinary Shares

On 28 September 2021, TA Securities Holdings Berhad announced on behalf of the Board of Directors that the Company have proposed to undertake a private placement of up to 62,677,200 new ordinary shares, representing not more than 20% of the total number of issued shares of the Company (excluding treasury shares, if any) to third party investor(s) at an issue price to be determined later ("Proposed Private Placement").

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.

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**20 Group Borrowings and Debt Securities**

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

	As At 31 July 2021	
	Foreign Denomination '000	RM'000
<b>Secured:</b>		
<b>Short Term (Denominated in THB)</b>		
Trust receipts	17,740	2,281
Promissory note	8,755	1,126
Term loans	18,324	2,357
Hire purchases and lease creditors	4,697	604
	49,516	6,368
<b>Short Term (Denominated in RM)</b>		
Bankers' acceptance	-	6,408
Revolving credits	-	1,850
Term loans	-	784
Hire purchases and lease creditors	-	1,267
	-	10,309
<b>Total Short Term</b>	49,516	16,677
<b>Long Term (Denominated in THB)</b>		
Term loans	37,392	4,809
Hire purchases and lease creditors	5,609	721
	43,001	5,530
<b>Long Term (Denominated in RM)</b>		
Term loans	-	7,124
Hire purchases and lease creditors	-	1,265
	-	8,389
<b>Total Long Term</b>	43,001	13,919
<b>Total</b>	<b>92,517</b>	<b>30,596</b>

**Total borrowings as at 31 July 2021**

		Exchange Rate	RM'000
(a) in Thai Baht	THB 92,517,000	0.1286	11,898
(b) in Ringgit Malaysia	RM 18,698,000	-	18,698
			<u>30,596</u>

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

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

	As At 31 July 2020	
	Foreign Denomination '000	RM'000
<b>Secured:</b>		
<b>Short Term (Denominated in THB)</b>		
Bank overdrafts	26,935	3,642
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
	<b>78,846</b>	<b>10,661</b>
<b>Short Term (Denominated in RM)</b>		
Bank overdrafts	-	(9)
Bankers' acceptance	-	6,731
Revolving credits	-	10,050
Term loans	-	751
Hire purchases and lease creditors	-	1,424
	-	18,947
<b>Total Short Term</b>	<b>78,846</b>	<b>29,608</b>
<b>Long Term (Denominated in THB)</b>		
Term loans	4,942	668
Hire purchases and lease creditors	11,638	1,573
	<b>16,580</b>	<b>2,241</b>
<b>Long Term (Denominated in RM)</b>		
Term loans	-	7,911
Hire purchases and lease creditors	-	2,098
	-	10,009
<b>Total Long Term</b>	<b>16,580</b>	<b>12,250</b>
<b>Total</b>	<b>95,426</b>	<b>41,858</b>

**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
			<b>41,858</b>

**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 July 2021</b>	<b>31 July 2020</b>
Fixed rates	1.90% - 13.00%	2.29% - 9.10%
Floating rates	3.45% - 10.00%	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 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.

Fajar Simfoni has, through its solicitors, on 28 June 2021 agreed to settle the matter by withdrawing the Private Caveat on terms that it is without prejudice to and without admission of liability, and with no order as to costs. The Court has issued a Consent Order dated 3 August 2021, to such effect, and the said solicitors have provided their confirmation of such withdrawal of the Private Caveat.

**23 Material Litigation (cont'd)**

**(b) Shah Alam High Court Suit No. BA-22NCvC-512-12/2020**

The Company announced on 14 April 2021 that a company named SJRMS Solution Sdn Bhd (“SJRMS”) has filed against and served on Attractive Venture (KL) Sdn Bhd (“AVKL”, a subsidiary of the Company) a Writ of Summons in Shah Alam High Court Suit No BA-22NCVC-512-12/2020 (the “Suit”). Under the Suit, alleged that AVKL had wrongfully terminated the Purported Agreement and, among other matters, SJRMS claimed special damages of RM797,301.37 and general damages.

The matter is now in the process of settlement of papers for proceeding to trial in the Shah Alam High Court, and the next Case Management is scheduled on 26 October 2021.

Based on the views and assessment of the relevant solicitors, the Company is of the view that SJRMS’s case in this Suit is weak.

The Company will provide updates as appropriate.

**24 Dividend**

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

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

**25 Earnings Per Share**

	Current Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
<b>Basic</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2021</b>	<b>31 July 2020</b>
Profit attributable to ordinary equity holders of the parent (RM'000)	2,637	3,841	2,637	3,841
Number of ordinary shares in issue ('000)	313,127	262,258	313,127	262,258
<b>Basic earnings per share (sen)</b>	<b>0.84</b>	<b>1.46</b>	<b>0.84</b>	<b>1.46</b>

	Current Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
<b>Diluted</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2021</b>	<b>31 July 2020</b>
Profit attributable to ordinary equity holders of the parent (RM'000)	2,637	3,841	2,637	3,841
Weighted average number of ordinary shares in issue ('000)	313,254	268,001	313,254	268,001
<b>Diluted earnings per share (sen)</b>	<b>0.84</b>	<b>1.43</b>	<b>0.84</b>	<b>1.43</b>

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

**26 Net Assets Per Share**

	<b>As At 31 July 2021 RM'000</b>	<b>As At 30 April 2021 RM'000</b>
Total assets	207,464	213,207
Less: Total liabilities	(59,604)	(67,237)
<b>Net Assets</b>	<b>147,860</b>	<b>145,970</b>
<b>Number of ordinary shares in issue ('000) (Note 7)</b>		
	<b>313,127</b>	<b>313,127</b>
<b>Net Assets Per Share (RM)</b>	<b>0.47</b>	<b>0.47</b>

**27 Authorisation For Issue**

The Board of Directors authorised the issue of this unaudited interim financial statements on 29 September 2021.