

PRESS STATEMENT / SIARAN AKHBAR

(FOR IMMEDIATE RELEASE)

**D'NONCE: OUTLOOK REMAINS BRIGHT BACKED BY
STRONG BUSINESS FUNDMANENTALS**

Georgetown, 29 September 2021 – Diversified engineering solutions provider, D'nonce Technology Berhad (“D'nonce” or the “Group”) (“天龙科技”), announced its first quarter (“1QFY22”) financial results today for the period ended 31 July 2021.

For the quarter under review, the Group reported a revenue of RM41.9 million versus RM44.6 million a year ago. This was a decline of 6.0% year-on-year (“YoY”), chiefly due to capacity constraint enforced during the various movement control orders (“MCOs”) in 1QFY22, which affected the Group and its customers’ operations.

In terms of revenue contribution by customer segments, electrical and electronics (“E&E”) sector continued to be the primary contributor, accounting for RM22.2 million or 53.0% of 1QFY22 turnover, followed by the healthcare sector at RM14.8 million or 35.3%. The two key customer groups that contributed the bulk of D'nonce's turnover are multinational corporations in the E&E sector as well as major glove manufacturers that are classified under the healthcare sector.

Meanwhile, D'nonce's profit after tax stood at RM2.7 million in 1QFY22 as compared to RM4.0 million in the previous year corresponding quarter. This was mainly due to the aforementioned MCO-induced capacity limitation issue

in addition to change in product mix for the E&E segment. On a brighter note, the contribution from the healthcare segment remained healthy and stable on a YoY basis.

Chief Executive Officer of D'nonce, Datuk Tho Yow Yin (拿督陶有賢) said, “The business operating landscape has been challenging due to the various versions of the MCOs enforced since June 2021. This has led to some operational disruptions for the Group and our customers as well. During this period, all our manufacturing facilities in Malaysia continued to run albeit with reduced workforce in accordance with the standard operating procedures (“SOPs”) imposed by the Government. On vaccination, approximately 93% of our workers are fully inoculated. With this, our operations are currently running with full workforce.”

“Looking ahead, we strive to keep up the positive momentum following the successful execution of the business turnaround strategy as demonstrated in our robust financial results since July 2020. Our performance is also backed by our solid business fundamentals along with our expansion plans. We continue to add new machines to support our E&E customers as the demand remains on the uptrend. On the other hand, our new capacity in Sadao district, Thailand is ready to fulfil the upcoming orders from our healthcare customers.”

“Simultaneously, the Group is also channeling more efforts on automating our processes to improve efficiency and reduce labor dependency while carrying on our cost-rationalization measures. All in all, D'nonce's outlook remains positive premised on the above as well as the exciting industry prospects of the two key segments that we serve – E&E and healthcare sectors.” Datuk Tho further added.

On balance sheet strength, D'nonce remained in a net cash position at end-July 2021 with gross cash holdings of RM38.5 million and backed by net assets of 47 sen per share.

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About D'nonce Technology Berhad

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

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

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