



D'NONCE GROUP OF COMPANIES

INTERIM FINANCIAL RESULTS

SECOND QUARTER ENDED 30 SEPTEMBER 2023

The Board wishes to announce the following unaudited results of the Group for the second quarter ended 30 September 2023.

Unaudited Condensed Consolidated Statement of Financial Position As At 30 September 2023

		(Audited)
	As At	As At
	30/09/2023	31/03/2023
<i>Note</i>	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	133,296	116,367
Investment properties	28,080	28,080
Intangible assets	2,099	2,099
Other receivable	-	1,259
Deferred tax assets	50	146
Right Of Use Asset	4,029	4,111
	<u>167,554</u>	<u>152,062</u>
Currents assets		
Inventory property	11,377	11,377
Inventories	21,854	25,947
Trade receivables	31,222	29,770
Other receivables, deposits and prepayments	18,508	17,672
Contract assets	-	856
Investment	26,598	24,063
Tax recoverable	2,859	1,963
Cash and bank balances	23,285	25,850
	<u>135,703</u>	<u>137,498</u>
TOTAL ASSETS	<u>303,257</u>	<u>289,560</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	7 117,911	117,911
Other capital reserve	5,120	5,120
Foreign currency translation reserve	6,486	6,856
Legal reserve	32	32
Revaluation reserve	36,969	36,969
Retained earnings	32,183	35,388
	<u>198,701</u>	<u>202,276</u>
Non-controlling interests	5,724	5,698
Total equity	<u>204,425</u>	<u>207,974</u>

The Board wishes to announce the following unaudited results of the Group for the second quarter ended 30 September 2023.

Unaudited Condensed Consolidated Statement of Financial Position As At 30 September 2023 (cont'd)

		(Audited)
	As At	As At
	30/09/2023	31/03/2023
<i>Note</i>	RM'000	RM'000
Non-current liabilities		
Retirement benefit obligations	3,628	3,523
Borrowings	20 33,942	17,920
Lease liabilities	3,119	2,357
Deferred tax liabilities	11,129	11,225
	<u>51,818</u>	<u>35,025</u>
Current liabilities		
Borrowings	20 24,131	21,454
Lease liabilities	1,402	1,864
Trade payables	13,135	13,485
Other payables	8,346	9,758
	<u>47,014</u>	<u>46,561</u>
Total liabilities	<u>98,832</u>	<u>81,586</u>
TOTAL EQUITY AND LIABILITIES	<u>303,257</u>	<u>289,560</u>
Net assets per share (RM)	26 <u>0.47</u>	<u>0.48</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2023)

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 second quarter ended 30 September 2023.

Unaudited Condensed Consolidated Income Statement For The Quarter Ended 30 September 2023

	<i>Note</i>	CURRENT QUARTER		CUMULATIVE QUARTER	
		3 months ended		6 months ended	
		30/09/2023	30/09/2022	30/09/2023	30/09/2022
		RM'000	RM'000	RM'000	RM'000
Revenue		44,850	44,006	87,752	88,659
Operating expenses		(42,386)	(42,084)	(84,552)	(83,921)
Other income including investment income		1,180	1,091	2,187	2,586
Profit from operations		3,644	3,013	5,387	7,324
Depreciation		(2,480)	(2,229)	(5,053)	(4,538)
Fair value adjustment on other investments		2,543	(3,396)	(2,321)	(3,396)
Foreign exchange (loss)/gain		(185)	31	218	120
Fair value on investment properties		-	4,514	-	4,514
Gain on disposal of property, plant and equipment		17	-	37	-
Interest expense		(782)	(458)	(1,436)	(840)
Interest income		46	40	105	77
Property, plant and equipment written off		-	(29)	-	(30)
Provision for and written back / (written off) of inventories		(44)	(29)	51	(232)
Reversal of provision for write off of receivables		34	(68)	(13)	(73)
Profit/(Loss) before taxation		2,793	1,389	(3,025)	2,926
Taxation	18	(87)	(686)	(154)	(1,050)
Profit/(Loss) for the period		2,706	703	(3,179)	1,876
Profit/(Loss) attributable to:					
Owner of the parent		2,704	568	(3,205)	1,706
Non-controlling interests		2	135	26	170
		2,706	703	(3,179)	1,876
Earnings/(Loss) per share:	25				
(a) Basic (sen)		0.62	0.15	(0.74)	0.45
(b) Fully Diluted (sen)		0.62	0.15	(0.74)	0.45

Notes:

i) The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2023.

ii) 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 second quarter ended 30 September 2023.

Unaudited Condensed Consolidated Income Statement For The Quarter Ended 30 September 2023**(cont'd)**

	CURRENT QUARTER		CUMULATIVE QUARTER	
	3 months ended		6 months ended	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
<i>Note</i>	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the period	2,706	703	(3,179)	1,876
Other comprehensive loss:				
Foreign currency translation				
differences for foreign operations	(971)	(720)	(370)	(1,098)
Total comprehensive (loss)/income for the period	<u>1,735</u>	<u>(17)</u>	<u>(3,549)</u>	<u>778</u>
Total comprehensive (loss)/income attributable to:				
Owner of the parent	1,733	(151)	(3,575)	609
Non-controlling interests	2	134	26	169
	<u>1,735</u>	<u>(17)</u>	<u>(3,549)</u>	<u>778</u>

Notes:

- i) The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2023.
- ii) 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 second quarter ended 30 September 2023.

Unaudited Condensed Consolidated Statement of Changes in Equity For The Quarter Ended 30 September 2023

	←——— Attributable to equity holders of the parent ———→								
	←——— Non-distributable ———→			Distributable					
	Share Capital	Other Capital Reserve	Foreign Currency Translation Reserve	Legal Reserve	Revaluation Reserve	Retained Earnings	Non- controlling Total Interests	Total Equity	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2023	117,911	5,120	6,856	32	36,969	35,388	202,276	5,698	207,974
(Loss) /profit for the period	-	-	-	-	-	(3,205)	(3,205)	26	(3,179)
Other comprehensive loss	-	-	(370)	-	-	-	(370)	-	(370)
Total comprehensive (loss)/income for the period	-	-	(370)	-	-	(3,205)	(3,575)	26	(3,549)
At 30 September 2023	117,911	5,120	6,486	32	36,969	32,183	198,701	5,724	204,425

Notes:

- i) The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2023.
- ii) 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 second quarter ended 30 September 2023.

Unaudited Condensed Consolidated Statement of Changes in Equity For The Quarter Ended 30 September 2023 (cont'd)

	←————— Attributable to equity holders of the parent —————→									
	←————— Non-distributable —————→					→	Distributable			
	Share Capital RM'000	Other Capital Reserve RM'000	Foreign Currency Translation Reserve RM'000	Employees' Share Option Scheme Reserve ("ESOS") RM'000	Legal 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 April 2022	111,159	5,120	4,851	31	32	37,325	26,081	184,599	5,152	189,751
Effect of adoption of MFRS 13	-	-	-	-	-	-	8,789	8,789	245	9,034
Restated	111,159	5,120	4,851	31	32	37,325	34,870	193,388	5,397	198,785
Profit for the period	-	-	-	-	-	-	1,706	1,706	170	1,876
Other comprehensive loss	-	-	(1,097)	-	-	-	-	(1,097)	(1)	(1,098)
Total comprehensive income / (loss) for the period	-	-	(1,097)	-	-	-	1,706	609	169	778
At 30 September 2022	111,159	5,120	3,754	31	32	37,325	36,576	193,997	5,566	199,563

Notes:

- i) The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2023.
- ii) 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 second quarter ended 30 September 2023.

Unaudited Condensed Consolidated Statement of Cash Flows For The Period Ended 30 September 2023

	6 months ended	
	30/09/2023	30/09/2022
	RM'000	RM'000
Cash Flows From Operating Activities		
(Loss)/Profit before taxation	(3,025)	2,926
Adjustments for non-cash flows:		
Depreciation	5,053	4,538
Fair value gain on investment properties	-	(4,514)
Fair value adjustment on other investments	2,321	3,396
Gain on disposal of property, plant and equipment	(37)	-
Interest expense	1,436	840
Interest income	(105)	(77)
Provision for (written back)/written off of inventories	(51)	232
Property, plant and equipment written off	-	30
Provision for write off of receivables	13	73
Non-operating items	331	564
Operating profit before working capital changes	<u>5,936</u>	<u>8,008</u>
Increase in receivables	(1,037)	(3,256)
Decrease/(Increase) in inventories	4,065	(4,158)
(Decrease)/Increase in payables	<u>(1,756)</u>	<u>725</u>
Cash generated from operations	7,208	1,319
Tax paid	(268)	(854)
Interest paid	<u>(1,356)</u>	<u>(678)</u>
Net cash generated from/ (used in) operating activities	<u>5,584</u>	<u>(213)</u>
Cash Flows From Investing Activities		
Interest income	105	77
Purchase of property, plant and equipment	(21,061)	(2,098)
Proceeds from disposal of property, plant and equipment	77	3
Net changes to fixed deposit	1,423	8,748
Net changes to investment	(4,856)	(8,418)
Net cash used in investing activities	<u>(24,312)</u>	<u>(1,688)</u>
Cash Flows From Financing Activities		
Net changes in short term borrowings	1,883	2,207
Repayment of lease liabilities	(915)	(1,284)
Repayment of hire purchase and lease financing	(1,102)	(892)
Drawdown/(Repayment) of term loans	14,535	(1,448)
Net cash generated from/ (used in) financing activities	<u>14,401</u>	<u>(1,417)</u>

D'NONCE TECHNOLOGY BHD.
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The Board wishes to announce the following unaudited results of the Group for the second quarter ended 30 September 2023.

Unaudited Condensed Consolidated Statement of Cash Flows For The Period Ended 30 September 2023
(cont'd)

	6 months ended	
	30/09/2023	30/09/2022
	RM'000	RM'000
Net decrease in cash and cash equivalents	(4,327)	(3,318)
Effect of exchange rate changes	(198)	(386)
Cash and cash equivalents at beginning of the period	11,948	22,964
Cash and cash equivalents at end of the period	<u>7,423</u>	<u>19,260</u>
Cash and cash equivalents comprise:		
Cash and bank balances	23,285	28,551
Bank overdraft - secured	(7,745)	(47)
	<u>15,540</u>	<u>28,504</u>
Less: Deposits with licensed banks for more than 3 months and pledged with licensed banks	(8,117)	(9,244)
	<u>7,423</u>	<u>19,260</u>

Reconciliation of liabilities arising from financing activities:

	Carrying amount as at 1 April 2023	Cash flows	Non-cash changes	Carrying amount as at 30 September 2023
	RM'000		RM'000	Others
Short term borrowings	12,849	1,883	-	14,732
Hire purchase and lease financing	5,462	(1,102)	-	4,360
Term loans	16,701	14,535	-	31,236
	<u>35,012</u>	<u>15,316</u>	<u>-</u>	<u>50,328</u>

Notes:

- i) The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2023.
- ii) The accompanying notes are an integral part of this statement.

D'NONCE TECHNOLOGY BHD.

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Notes to the condensed consolidated interim financial statements of the Group for the second quarter ended 30 September 2023

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 31 March 2023. 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 31 March 2023.

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 31 March 2023 except for the adoption of new MFRSs and Interpretations and Amendments to certain MFRSs which are effective for the Group from 1 April 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

Amendment to MFRS 17: Insurance Contracts: Initial Application of MFRS 17 and MFRS 9: Comparative Information

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

Amendments to MFRS 112 : International Tax Reform—Pillar Two Model Rules

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 2024

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101: Non-current Liabilities with Covenants

Amendments to MFRS 107 and MFRS 7 : Supplier Finance Arrangements

Effective for financial periods beginning on or after 1 January 2025

Amendments to MFRS 121 : Lack of Exchangeability

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 31 March 2023 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.

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7 Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

As at the quarter ended 30 September 2023, there were no new ordinary shares issued and allotted, details of the issued and paid-up capital of the Company as at 30 September 2023 are as follows:

Share Capital

	No. of shares	RM'000
As at 30 June 2023 / 30 September 2023	434,462,377	117,911

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

Period ended 30-Sep-23	Healthcare	Electrical and Electronics	Other Industries*	Others ^	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE						
External revenue	28,839	40,655	18,258	-	-	87,752
Inter-segment revenue	2,110	3,669	12	-	(5,791)	-
Total segment revenue	30,949	44,324	18,270	-	(5,791)	87,752
RESULTS						
Segment results	2,274	655	1,084	(36)	-	3,977
Unallocated expenses						(5,566)
Operating loss						(1,589)
Finance costs, net						(1,436)
Loss before taxation						(3,025)
Taxation						(154)
Loss after taxation						(3,179)
Segment assets	84,980	175,379	25,397	11,771	-	297,527
Unallocated assets						5,730
Total assets						303,257
Segment liabilities	17,381	63,325	16,074	62	-	96,842
Unallocated liabilities						1,990
Total liabilities						98,832

* 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

Period ended 30-Sep-22	Healthcare	Electrical and Electronics	Other Industries*	Others ^	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE						
External revenue	28,754	48,267	11,638	-	-	88,659
Inter-segment revenue	2,293	4,447	60	-	(6,800)	-
Total segment revenue	31,047	52,714	11,698	-	(6,800)	88,659
RESULTS						
Segment results	1,586	5,263	677	(358)	-	7,168
Unallocated expenses						(3,402)
Operating profit						3,766
Finance costs, net						(840)
Profit before taxation						2,926
Taxation						(1,050)
Profit after taxation						1,876
Segment assets	87,852	139,730	15,576	10,777	-	253,935
Unallocated assets						8,481
Total assets						262,416
Segment liabilities	20,378	35,727	5,920	383	-	62,408
Unallocated liabilities						445
Total liabilities						62,853

* 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.

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 RM58.07 million (31 March 2023: RM39.02 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 30 September 2023 are as follows:

	RM'000
Approved and contracted for:	
- Land and building	3,870
- Plant and Machinery	1,342
- Motor vehicle	86
- Renovation	1,006
Total Capital Commitments	6,304

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

A comparison of D'nonce Technology Bhd's performance for the second quarter ended 30 September 2023 ("Q2'24") with the corresponding period last financial year ("Q2'23") is as follows:

	Quarter 2			Year-To-Date		
	FY2024 RM'000	FY2023 RM'000	Variance %	FY2024 RM'000	FY2023 RM'000	Variance %
Revenue	44,850	44,006	2%	87,752	88,659	-1%
Operating profit	3,644	3,013	21%	5,387	7,324	-26%
Profit/(Loss) before interest and tax	3,575	1,847	94%	(1,589)	3,766	-142%
Profit/(Loss) before tax	2,793	1,389	101%	(3,025)	2,926	-203%
Profit/(Loss) after tax	2,706	703	285%	(3,179)	1,876	-269%
Profit/(Loss) attributable to ordinary equity holders of the parent	2,704	568	376%	(3,205)	1,706	-288%

Group

The Group achieved revenue of RM44.9 million for the current quarter as compared to RM44 million for the corresponding quarter last year, an increased of RM0.9 million or 2%.

The Group achieved segment results of RM2.7 million for the current quarter, a decrease of RM1 million or 27% as compared to RM3.7 million in segment results last year.

Revenue for the Healthcare customer segment was RM15.4 million as compared to RM12.4 million last year, an increased of RM3.0 million or 24.2%, mainly due to the higher demand for latex gloves where our segment operates in. Segment results for Healthacre was RM1.6 million for the current quarter as compared to RM0.2 million last year. The increase in segment results as compared to Q2'23 was mainly due to the increase in revenue coupled with stabilisation of cost in Q2'24 as compared to the Q2'23.

The electrical and electronics ("E&E") customer segment contributed RM21 million revenue for the current quarter, as compared to RM24.9 million last year, a reduction of RM3.9 million or 15.7%, mainly due to the continuous soft global market demand in the E&E industry affecting the Group in Q2'24. Segment results was RM0.4 million for the current quarter as compared to RM3.1 million last year mainly due to the reduction in revenue and also changes in product mix in the current quarter.

Revenue for the other industries during the quarter under review was RM8.5 million as compared to RM6.7 million last year, an increase of RM1.8 million or 26.9%. The increase is mainly contributed by the addition of revenue from the subsidiary acquired at the end of December 2022. Segment results was RM0.7 million, an increase of RM0.3 million as compared to RM0.4 million last year, mainly from the segment result contribution from the acquired subsidiary.

Based on the above and after accounting for unallocated expenses, finance costs and taxation, the Group posted profit attributable to ordinary equity holders of parent of RM2.7 million for the current quarter, a increased of RM2.1 million or 350% as compared to RM0.6 million for the same quarter last year.

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15 Material Changes in Profit Before Taxation Against Preceding Quarter

	Q2'24 30 September 2023 RM'000	Q1'24 30 June 2023 RM'000	Variance %
Revenue	44,850	42,902	5%
Operating profit	3,644	1,743	109%
Profit /(Loss) before interest and tax	3,575	(5,164)	169%
Profit /(Loss) before tax	2,793	(5,818)	148%
Profit /(Loss) after tax	2,706	(5,885)	146%
Profit /(Loss) attributable to ordinary equity holders of the parent	2,704	(5,909)	146%

Group

The Group achieved RM44.9 million in revenue for the current quarter, an increased of RM2 million or 4.7% as compared to RM42.9 million in the preceding quarter. The profit attributable to the ordinary equity holders of the parent was RM2.7 million as compared to a loss attributable to ordinary equity holders of the parent of RM5.9 million in the previous quarter.

The performance by business segments are further analysed as below:

Healthcare

The revenue for this segment was RM15.4 million for the current quarter as compared to RM13.4 million in the preceding quarter, an increase of RM2 million or 14.9%. The segment generated RM1.6 million in segment results as compared to RM0.6 million in the last quarter. The increase in segment results is mainly due to increase in revenue and stabilisation of cost during the current quarter as compared to the previous quarter.

Electrical and Electronics

The revenue for this segment was RM21 million for the current quarter as compared to RM19.7 million in the preceding quarter, an increase of RM1.3 million or 6.6%. The segment generated RM0.4 million segment result, consistent as compared to RM0.3 million segment result in the last quarter.

Other Industries

The revenue for this segment was RM8.5 million for the current quarter as compared to RM9.8 million in the preceding quarter, a decrease of RM1.3 million or 13.3%. The segment generated RM0.7 million segment profit as compared to RM0.4 million segment profit in the last quarter.

Others

The segment generated RM18,000 loss for the current quarter and in the last quarter.

16 Prospects

Global economic uncertainties is expected to continue throughout 2023 and spilling over to 2024 amid geopolitical tensions, rising interest rates and the instability of Ringgit Malaysia against the US dollar. It is challenging to predict the full extent and duration of these impact on the global economy.

Despite these challenges, The Group remains cautiously optimistic on the long term business prospects and will continue to actively pursue various business strategies to increase its revenue, and to implement cost control measures.

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	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Current tax:				
Current period	(112)	(242)	(154)	(581)
Prior period	22	-	-	(17)
Deferred tax:				
Current period	3	(444)	23	(426)
Prior period	-		(23)	(26)
Tax expenses	(87)	(686)	(154)	(1,050)

The Group's performance across all its subsidiaries consist of certain subsidiaries reporting high profits and other subsidiaries either reporting marginal profit or losses. As a result, the profitable subsidiaries are subject to taxation whereas subsidiaries with marginal profit or loss are not exposed to taxation. The net impact is a higher effective tax rate than the statutory rate for the Group.

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19 Status of Corporate Proposal

On 11 August 2022, TA Securities Holdings Berhad (“TA Securities”) announced on behalf of the Board of Directors (“Board”) that D'nonce Technology Bhd (“DTB”) proposes to undertake the following:

- (i) proposed acquisition of 333,997 ordinary shares in Komark (Thailand) Company Limited (“KTCL”) (“KTCL Shares” or “Sale Shares”), representing 99.9991% equity interest in KTCL from General Labels & Labelling (M) Sdn Bhd (“Vendor” or “GLLSB”) (a wholly-owned subsidiary of Komarkcorp Berhad (“Komarkcorp”)) for a purchase consideration of RM9,100,000 (“Purchase Consideration”) to be satisfied entirely via the issuance of 58,709,677 new ordinary shares in DTB (“DTB Shares” or “Shares”) at an issue price of RM0.155 each (“Consideration Shares”) (“Proposed Acquisition”);
- (ii) in conjunction with the Proposed Acquisition, the Company proposes to undertake a proposed diversification of the principal activities of DTB and its subsidiaries (“DTB Group” or “Group”) to include manufacturing and selling of self-adhesive labels (“Labelling Business”) (“Proposed Diversification”) as the Company envisages that the contribution arising from the Proposed Acquisition will be more than 25% of the net assets and/ or net profits of the Group in the future;
- (iii) proposed renounceable rights issue of up to 434,690,877 DTB Shares (“Rights Shares”) on the basis of 1 Rights Share for every 1 existing Share held on an entitlement date to be determined later (“Entitlement Date”), together with up to 434,690,877 free detachable warrants (“Warrants”) on the basis of 1 Warrant for every 1 Rights Share subscribed for at an issue price to be determined and announced by the Board at a later date (“Proposed Rights Issue”);
- (iv) proposed termination of the Company’s existing employees’ share option scheme (“ESOS”) (“Existing ESOS Scheme”) (“Proposed ESOS Termination”); and
- (v) proposed establishment of a new share issuance scheme of up to 15% of the total number of issued Shares (excluding treasury shares, if any) at any point in time during the duration of the scheme for eligible employees, executive directors and non executive directors of the Company and its non-dormant subsidiaries (“Proposed New SIS” or “Scheme”).

On 17 August 2022, TA Securities announced on behalf of the Board that the listing application in relation to the Proposals has been submitted to Bursa Malaysia Securities Berhad (“Bursa Securities”).

On 1 November 2022, The Board of DTB announced that all the resolutions as set out in the Notice of the Extraordinary General Meeting (“EGM”) dated 17 October 2022 were passed at the EGM of the Company held on Tuesday, 1 November 2022.

On 29 December 2022, TA Securities announced on behalf of the Board that the Acquisition has been completed on 29 December 2022 following the listing and quotation of 58,709,677 new DTB Shares on the Main Market of Bursa Securities on even date.

On 16 March 2023, TA securities announced on behalf of the Board that the Company has been granted an extension time limit until 25 September 2023 to complete the implementation of the Rights Issue and new SIS.

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19 Status of Corporate Proposal (cont'd)

On 4 September 2023, TA securities announced on behalf of the Board that the Company had on 4 September 2023 submitted an application to Bursa Securities for an extension of time limit until 24 March 2024 to complete the implementation of the Rights Issue.

On 12 September 2023, TA securities announced on behalf of the Board that the Company has been granted an extension time limit until 24 March 2024 to complete the implementation of the Rights Issue and new SIS.

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.

D'NONCE TECHNOLOGY BHD.**(200001000687 / 503292-K)****20 Group Borrowings and Debt Securities**

The Group Borrowings as at 30 September 2023 were as follows:

	As At 30 September 2023	
	Foreign Denomination '000	RM'000
Secured:		
Short Term (Denominated in THB)		
Bank overdrafts	8,075	1,035
Trust receipts	7,770	996
Hire purchases and lease creditors	48	6
	15,893	2,037
Short Term (Denominated in RM)		
Bank overdrafts	-	6,710
Bankers' acceptance	-	5,736
Revolving credits	-	8,000
Term loans	-	942
Hire purchases and lease creditors	-	706
	-	22,094
Total Short Term	15,893	24,131
Long Term (Denominated in RM)		
Term loans	-	27,581
Hire purchases and lease creditors	-	3,648
	-	31,229
Total Long Term	21,161	33,942
Total	37,054	58,073

Total borrowings as at 30 September 2023

		Exchange Rate	RM'000
(a) in Thai Baht	THB 37,054,000	0.1282	4,750
(b) in Ringgit Malaysia	RM 53,323,000	-	53,323
			<u>58,073</u>

D'NONCE TECHNOLOGY BHD.**(200001000687 / 503292-K)****20 Group Borrowings and Debt Securities (cont'd)**

The Group Borrowings as at 30 September 2023 were as follows (cont'd):

	As At 30 September 2022	
	Foreign Denomination '000	RM'000
Secured:		
Short Term (Denominated in THB)		
Trust receipts	15,708	1,920
Term loans	16,844	2,058
Hire purchases and lease creditors	2,873	351
	35,425	4,329
Short Term (Denominated in RM)		
Bank overdrafts	-	47
Bankers' acceptance	-	4,565
Revolving credits	-	6,000
Term loans	-	534
Hire purchases and lease creditors	-	657
	-	11,803
Total Short Term	35,425	16,132
Long Term (Denominated in THB)		
Term loans	19,831	2,423
Hire purchases and lease creditors	571	70
	20,402	2,493
Long Term (Denominated in RM)		
Term loans	-	4,137
Hire purchases and lease creditors	-	505
	-	4,642
Total Long Term	20,402	7,135
Total	55,827	23,267

Total borrowings as at 30 September 2022

		Exchange Rate	RM'000
(a) in Thai Baht	THB 55,827,000	0.1222	6,822
(b) in Ringgit Malaysia	RM 16,445,000	-	16,445
			<u>23,267</u>

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20 Group Borrowings and Debt Securities (cont'd)

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

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

	30 September 2023	31 March 2023
Fixed rates	2.29% - 10.00%	2.29% - 10.00%
Floating rates	4.31% - 7.40%	4.31% - 7.40%

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

During the current quarter under review and up to date of this announcement, there are no material litigation involving the Company and the Group.

24 Dividend

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

25 Earnings Per Share

	Current Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
Basic	30 September 2023	30 September 2022	30 September 2023	30 September 2022
Profit/(Loss) attributable to ordinary equity holders of the parent (RM'000)	2,704	568	(3,205)	1,706
Weighted average number of ordinary shares in issue ('000)	434,462	375,753	434,462	375,753
Basic earnings/(loss) per share (sen)	0.62	0.15	(0.74)	0.45

	Current Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
Diluted	30 September 2023	30 September 2022	30 September 2023	30 September 2022
Profit/(Loss) attributable to ordinary equity holders of the parent (RM'000)	2,704	568	(3,205)	1,706
Weighted average number of ordinary shares in issue ('000)	434,462	375,533	434,462	375,607
Diluted earnings/(Loss) per share (sen)	0.62	0.15	(0.74)	0.45

Diluted earnings per share is the same as basic earnings per share as there were no potentially dilutive ordinary shares during the current quarter and period.

D'NONCE TECHNOLOGY BHD.**(200001000687 / 503292-K)****26 Net Assets Per Share**

	As At 30 September 2023 RM'000	As At 31 March 2023 RM'000
Total assets	303,257	289,560
Less: Total liabilities	(98,832)	(81,586)
Net Assets	204,425	207,974
Number of ordinary shares in issue ('000) (Note 7)	434,462	434,462
Net Assets Per Share (RM)	0.47	0.48

27 Authorisation For Issue

The Board of Directors authorised the issue of this unaudited interim financial statements on 28 November 2023.