



D'NONCE GROUP OF COMPANIES

INTERIM FINANCIAL RESULTS

FOURTH QUARTER ENDED 31 MARCH 2024

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

The Board wishes to announce the following unaudited results of the Group for the fourth quarter ended 31 March 2024.

Unaudited Condensed Consolidated Statement of Financial Position As At 31 March 2024

	<i>Note</i>	As At 31/03/2024 RM'000	(Audited) As At 31/03/2023 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		139,327	116,367
Investment properties		30,040	28,080
Intangible assets		2,099	2,099
Other receivable		1,889	1,259
Deferred tax assets		50	146
Right Of Use Asset		3,753	4,111
		177,158	152,062
Currents assets			
Inventory property		11,377	11,377
Inventories		24,118	25,947
Trade receivables		29,281	29,770
Other receivables, deposits and prepayments		14,448	17,672
Contract assets		-	856
Investment		32,530	24,063
Tax recoverable		2,548	1,963
Cash and bank balances		42,536	25,850
		156,838	137,498
TOTAL ASSETS		333,996	289,560
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	7	135,404	117,911
Other capital reserve		5,120	5,120
Foreign currency translation reserve		7,058	6,856
Legal reserve		32	32
Warrant reserve		20,520	-
Revaluation reserve		36,608	36,969
Retained earnings		27,916	35,388
		232,658	202,276
Non-controlling interests		5,804	5,698
Total equity		238,462	207,974

The Board wishes to announce the following unaudited results of the Group for the fourth quarter ended 31 March 2024.

Unaudited Condensed Consolidated Statement of Financial Position As At 31 March 2024 (cont'd)

		As At	(Audited)
		31/03/2024	As At
	<i>Note</i>	RM'000	31/03/2023
			RM'000
Non-current liabilities			
Retirement benefit obligations		3,230	3,523
Borrowings	20	30,162	17,920
Lease liabilities		2,231	2,357
Deferred tax liabilities		11,564	11,225
		<u>47,187</u>	<u>35,025</u>
Current liabilities			
Borrowings	20	24,137	21,454
Lease liabilities		935	1,864
Trade payables		15,313	13,485
Other payables		7,962	9,758
		<u>48,347</u>	<u>46,561</u>
Total liabilities		<u>95,534</u>	<u>81,586</u>
TOTAL EQUITY AND LIABILITIES		<u>333,996</u>	<u>289,560</u>
Net assets per share (RM)	26	<u>0.27</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 fourth quarter ended 31 March 2024.

Unaudited Condensed Consolidated Income Statement for Quarter Ended 31 March 2024

	<i>Note</i>	CURRENT QUARTER		CUMULATIVE QUARTER	
		3 months ended		12 months ended	
		31/03/2024	31/03/2023	31/03/2024	31/03/2023
		RM'000	RM'000	RM'000	RM'000
Revenue		45,162	46,267	176,383	174,862
Operating expenses		(41,350)	(43,264)	(168,277)	(166,262)
Other (loss)/income including investment income		(532)	(368)	2,728	3,184
Profit from operations		3,280	2,635	10,834	11,784
Depreciation		(2,850)	(2,165)	(10,488)	(8,571)
Fair value adjustment on other investments		(2,343)	(1,638)	(7,360)	(3,768)
Foreign exchange (loss)/gain		(418)	54	153	499
Fair value adjustment on investment properties		1,789	(164)	1,789	4,350
(Loss)/Gain on disposal of property, plant and equipment		(5)	31	32	46
Loss on disposal of quoted or unquoted investments or properties		(401)	-	(115)	-
Interest expense		(697)	(454)	(3,017)	(1,695)
Interest income		57	80	199	192
Property, plant and equipment written off		1	-	-	(79)
Provision for written off of inventories		(596)	(1,465)	(164)	(1,775)
Provision for written off of receivable		(40)	(51)	(65)	(143)
(Loss)/Profit before taxation		(2,223)	(3,137)	(8,202)	840
Taxation	18	(353)	580	(524)	(775)
(Loss)/Profit for the period		<u>(2,576)</u>	<u>(2,557)</u>	<u>(8,726)</u>	<u>65</u>
(Loss) /Profit attributable to:					
Owner of the parent		(2,674)	(2,638)	(8,832)	(259)
Non-controlling interests		98	81	106	324
		<u>(2,576)</u>	<u>(2,557)</u>	<u>(8,726)</u>	<u>65</u>
Loss per share:	25				
(a) Basic (sen)		<u>(0.46)</u>	<u>(0.67)</u>	<u>(1.88)</u>	<u>(0.07)</u>
(b) Fully Diluted (sen)		<u>(0.46)</u>	<u>(0.67)</u>	<u>(1.88)</u>	<u>(0.07)</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 fourth quarter ended 31 March 2024.

Unaudited Condensed Consolidated Income Statement for Quarter Ended 31 March 2024**(cont'd)**

	CURRENT QUARTER		CUMULATIVE QUARTER	
	3 months ended		12 months ended	
<i>Note</i>	31/03/2024	31/03/2023	31/03/2023	31/03/2023
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the period	(2,576)	(2,557)	(8,726)	65
Other comprehensive (loss)/gain:				
Foreign currency translation differences for foreign operations	(1,439)	1,517	202	2,005
Transfer of revaluation surplus to retained profits	361	356	361	356
Realisation of revaluation surplus upon depreciation	(361)	(357)	(361)	(357)
Remeasurement gain on retirement benefit obligations	999	-	999	-
Total comprehensive (loss)/income for the period	(3,016)	(1,041)	(7,525)	2,069
Total comprehensive (loss)/income attributable to:				
Owner of the parent	(3,114)	(1,121)	(7,631)	1,746
Non-controlling interests	98	80	106	323
	(3,016)	(1,041)	(7,525)	2,069

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.

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The Board wishes to announce the following unaudited results of the Group for the fourth quarter ended 31 March 2024.

Unaudited Condensed Consolidated Statement of Changes in Equity For The Quarter Ended 31 March 2024

	← 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	Legal Reserve	Warrant Reserve	Revaluation Reserve	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	-	-	-	-	-	-	(8,832)	(8,832)	106	(8,726)
Remeasurement gain on retirement benefit obligations	-	-	-	-	-	-	999	999	-	999
Transfer of revaluation surplus to retained profits	-	-	-	-	-	(361)	361	-	-	-
Other comprehensive income	-	-	202	-	-	-	-	202	-	202
Total comprehensive income / (loss) for the period	-	-	202	-	-	(361)	(7,472)	(7,631)	106	(7,525)
Issuance of rights issue with warrants	18,524	-	-	-	20,520	-	-	39,044	-	39,044
Share issuance expenses	(1,031)	-	-	-	-	-	-	(1,031)	-	(1,031)
At 31 March 2024	135,404	5,120	7,058	32	20,520	36,608	27,916	232,658	5,804	238,462

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.

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The Board wishes to announce the following unaudited results of the Group for the fourth quarter ended 31 March 2024.

Unaudited Condensed Consolidated Statement of Changes in Equity For The Quarter Ended 31 March 2024 (cont'd)

	← Attributable to equity holders of the parent →							Retained Earnings RM'000	Total 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	Employees' Share Option Scheme RM'000	Legal Reserve RM'000	Revaluation Reserve RM'000					
At 1 April 2022	111,159	5,120	4,851	31	32	37,325	35,260	193,778	5,375	199,153	
Loss for the period	-	-	-	-	-	-	(259)	(259)	324	65	
Foreign currency translation differences for foreign operation	-	-	2,005	-	-	-	-	2,005	(1)	2,004	
Transfer of revaluation surplus to retained profits	-	-	-	-	-	(356)	356	-	-	-	
Total comprehensive income income/(loss) for period	-	-	2,005	-	-	(356)	97	1,746	323	2,069	
Issuance of ordinary shares pursuant to acquisition of subsidiary	6,752	-	-	-	-	-	-	6,752	-	6,752	
Termination of ESOS Scheme	-	-	-	(31)	-	-	31	-	-	-	
At 31 March 2023	117,911	5,120	6,856	-	32	36,969	35,388	202,276	5,698	207,974	

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.

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The Board wishes to announce the following unaudited results of the Group for the fourth quarter ended 31 March 2024.

Unaudited Condensed Consolidated Statement of Cash Flows For The Period Ended 31 March 2024

	12 months ended	
	31/03/2024	31/03/2023
	RM'000	RM'000
Cash Flows From Operating Activities		
(Loss)/Profit before taxation	(8,202)	840
Adjustments for non-cash flows:		
Depreciation	10,488	8,571
Fair value adjustment on investment properties	(1,789)	(4,350)
Fair value adjustment on other investments	7,360	3,768
Gain on disposal of property, plant and equipment	(32)	(46)
Interest expense	3,017	1,695
Interest income	(199)	(192)
Provision for written off of inventories	164	1,775
Property, plant and equipment written off	-	79
Provision for write off of receivables	65	143
Non-operating items	776	121
Operating profit before working capital changes	11,648	12,404
Decrease/(Increase) in receivables	2,950	(5,195)
Decrease in inventories	1,777	3,649
Increase in inventory property	-	(1,148)
Increase in payables	39	56
Cash generated from operations	16,414	9,766
Tax refund/ (paid)	107	(892)
Interest paid	(2,832)	(1,375)
Retirement benefit obligations paid	(48)	(74)
Net cash generated from operating activities	13,641	7,425
Cash Flows From Investing Activities		
Interest income	199	254
Purchase of property, plant and equipment	(30,989)	(17,485)
Proceeds from disposal of property, plant and equipment	83	51
Net changes to fixed deposit	1,232	3,877
Net changes to investment	(15,827)	(14,350)
Acquisition of subsidiaries	-	(95)
Net cash used in investing activities	(45,302)	(27,748)
Cash Flows From Financing Activities		
Share issuance expenses	(1,031)	-
Proceeds from issuance of right issue	39,044	-
Net changes in short term borrowings	4,414	2,571
Repayment of lease liabilities	(3,375)	(2,858)
Repayment of hire purchase and lease financing	(1,163)	(5,973)
Drawdown of term loans	12,977	10,200
Net cash generated from financing activities	50,866	3,940

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The Board wishes to announce the following unaudited results of the Group for the fourth quarter ended 31 March 2024.

Unaudited Condensed Consolidated Statement of Cash Flows For The Period Ended 31 March 2024

(cont'd)

	12 months ended	
	31/03/2024	31/03/2023
	RM'000	RM'000
Net increase/(decrease) in cash and cash equivalents	19,205	(16,383)
Effect of exchange rate changes	16	791
Cash and cash equivalents at beginning of the period	11,971	27,563
Cash and cash equivalents at end of the period	31,192	11,971
Cash and cash equivalents comprise:		
Cash and bank balances	42,536	25,850
Bank overdraft - secured	(3,059)	(4,362)
	39,477	21,488
Less: Deposits with licensed banks for more than 3 months and pledged with licensed banks	(8,285)	(9,517)
	31,192	11,971

Reconciliation of liabilities arising from financing activities:

	Carrying amount as at 1 April 2023	Cash flows	Non-cash changes	Carrying amount as at 31 March 2024
	RM'000		Others	RM'000
	RM'000	RM'000	RM'000	RM'000
Bank overdraft	4,362	(1,303)	-	3,059
Short term borrowings	12,849	4,414	-	17,263
Hire purchase and lease financing	5,463	(1,163)	-	4,300
Term loans	16,700	12,977	-	29,677
	35,012	16,228	-	51,240

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 fourth quarter ended 31 March 2024

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 31 March 2024, a total of 433,818,947 new ordinary shares were issued on the basis of 1 right share for every 1 existing share together with up to 433,818,947 warrants on the basis of 1 warrant for every 1 right share. The details of the issued and paid-up capital of the company as at 31 March 2024 are as follows:

Share Capital

	No. of shares	RM'000
As at 31 December 2023	434,462,377	117,911
Ordinary shares issued pursuant to the right issue with warrants	433,818,947	18,524
Share issuance expenses	-	(1,031)
As at 31 March 2024	868,281,324	135,404

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 31-Mar-24	Healthcare	Electrical and Electronics	Other Industries*	Others ^	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE						
External revenue	60,282	79,151	36,950	-	-	176,383
Inter-segment revenue	4,018	7,296	3,449	-	(14,763)	-
Total segment revenue	64,300	86,447	40,399	-	(14,763)	176,383
RESULTS						
Segment results	4,746	3,119	920	(69)	-	8,716
Unallocated expenses						(13,901)
Operating loss						(5,185)
Finance costs, net						(3,017)
Loss before taxation						(8,202)
Taxation						(524)
Loss after taxation						(8,726)
Segment assets	84,051	181,302	32,552	11,756	-	309,661
Unallocated assets						24,335
Total assets						333,996
Segment liabilities	18,333	58,281	18,309	66	-	94,989
Unallocated liabilities						545
Total liabilities						95,534

* 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 31-Mar-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	54,400	93,648	26,814	-	-	174,862
Inter-segment revenue		9,388			(9,388)	-
Total segment revenue	54,400	103,036	26,814	-	(9,388)	174,862
RESULTS						
Segment results	4,027	4,996	494	(515)	-	9,002
Unallocated expenses						(6,735)
Operating profit						2,267
Finance costs, net						(1,427)
Profit before taxation						840
Taxation						(775)
Profit after taxation						65
Segment assets	86,793	156,996	25,132	11,746	-	280,667
Unallocated assets						8,893
Total assets						289,560
Segment liabilities	9,951	47,185	6,351	4,976	-	68,463
Unallocated liabilities						13,123
Total liabilities						81,586

* 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 RM54.20 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 31 March 2024 are as follows:

RM'000	
Approved and contracted for:	
- Land and building	3,870
Approved but not yet contracted for:	
- Construction and renovation	17,800
Total Capital Commitments	21,670

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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 fourth quarter ended 31 March 2024 ("Q4'24") with the corresponding period last financial year ("Q4'23") is as follows:

	Quarter 4			Year-To-Date		
	FY2024 RM'000	FY2023 RM'000	Variance %	FY2024 RM'000	FY2023 RM'000	Variance %
Revenue	45,162	46,267	-2%		174,862	-100%
Operating profit	3,280	2,635	24%	10,834	11,784	-8%
(Loss)/Profit before interest and tax	(1,526)	(2,683)	43%	(5,185)	2,535	-305%
(Loss)/Profit before tax	(2,223)	(3,137)	29%	(8,202)	840	-1076%
(Loss)/Profit after tax	(2,576)	(2,557)	-1%	(8,726)	65	-13525%
Loss attributable to ordinary equity holders of the parent	(2,674)	(2,638)	-1%	(8,832)	(259)	-3310%

Group

The Group achieved revenue of RM45.2 million for the current quarter, compared to RM46.3 million for the corresponding quarter last year, representing a reduction of RM1.1 million or 2.4%.

The Group achieved segment results of RM2.7 million for the current quarter, an increase of RM3.8 million or 345.5% compared to a RM1.1 million loss in segment results last year.

Revenue for the healthcare customer segment was RM15.8 million, compared to RM14.6 million last year, reflecting an increase of RM1.2 million or 8.2%, mainly due to higher demand for latex gloves within our segment. Segment results were RM1.4 million for the current quarter, a decrease of RM0.1 million or 6.7% compared to RM1.5 million in segment results last year.

The electrical and electronics ("E&E") customer segment contributed RM19.8 million revenue for the current quarter, as compared to RM24.1 million last year, representing a reduction of RM4.3 million or 17.8%, mainly due to the continuous soft global market demand in the E&E industry. Segment results was RM1.4 million for the current quarter, an increase of RM3.8 million or 158.3% as compared to a RM2.4 million loss in segment results last year. This increase is mainly due to effective cost controls and fair value adjustment on investment properties of RM1.7 million in the current quarter.

Revenue for the other industries during the quarter under review was RM9.6 million as compared to RM7.6 million last year, an increase of RM2 million or 26.3%. Segment loss was RM173,000 in current quarter as compared to loss of RM130,000 in last year.

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

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15 Material Changes in Profit Before Taxation Against Preceding Quarter

	Q4'24 31 March 2024 RM'000	Q3'24 31 December 2023 RM'000	Variance %
Revenue	45,162	43,469	4%
Operating profit	3,280	2,167	51%
Loss before interest and tax	(1,526)	(2,070)	26%
Loss before tax	(2,223)	(2,954)	25%
Loss after tax	(2,576)	(2,971)	13%
Loss attributable to ordinary equity holders of the parent	(2,674)	(2,953)	9%

Group

The Group achieved RM45.2 million in revenue for the current quarter, an increase of RM1.7 million or 3.9% compared to RM43.5 million in the preceding quarter. The loss attributable to the ordinary equity holders of the parent was RM2.7 million, compared to a RM3 million loss in the previous quarter.

The performance by business segments are further analysed as below:

Healthcare

The revenue for this segment was RM15.8 million for the current quarter, compared to RM15.6 million in the preceding quarter, an increase of RM0.2 million or 1.3%. The segment generated RM1.4 million in segment results for the current quarter, compared to RM1 million in the last quarter.

Electrical and Electronics

The revenue for this segment was RM19.8 million for the current quarter, compared to RM18.7 million in the preceding quarter, an increase of RM1.1 million or 5.9%. The segment generated RM1.4 million in segment result, compared to RM1 million in the last quarter.

Other Industries

The revenue for this segment was RM9.6 million for the current quarter, compared to RM9.1 million in the preceding quarter, an increase of RM0.5 million or 5.5%. The segment generated a segment loss of RM173,000 in the current quarter, compared to a segment profit of RM9,000 in the last quarter.

Others

The segment generated RM22,000 loss as compared to RM11,000 loss in the last quarter.

16 Prospects

Global economic uncertainties is expected to continue throughout 2024 amid geopolitical tensions, rising interest rates and 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.

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	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Current tax:				
Current period	(17)	264	(183)	(615)
Prior period	94	(52)	94	(81)
Deferred tax:				
Current period	(275)	227	(257)	(193)
Prior period	(155)	141	(178)	114
Tax expenses	(353)	580	(524)	(775)

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 9 March 2023, TA Securities announced on behalf of the Board that the Company had on 9 March 2023 submitted an application to Bursa Securities for an extension of time until 25 September 2023 to complete the implementation of, among others, the Rights Issue.

19 Status of Corporate Proposal (cont'd)

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

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 until 24 March 2024 to complete the implementation of, among others, the Rights Issue.

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

On 29 January 2024, TA Securities announced on behalf of the Board, among others, that DTB :

- (i) has resolved to fix the issue price of the Rights Shares at RM0.09 per Rights Share ("Issue Price") and the exercise price of the Warrants at RM0.09 per Warrant ("Exercise Price").
- (ii) renounceable rights issue of up to 434,462,377 DTB Shares ("Rights Shares") on the basis of 1 Rights Share for every 1 existing share held as at 5.00 P.M. on 15 February 2024 at an issue price of RM0.09 per Rights Share together with up to 434,462,377 free detachable warrants ("Warrants") on the basis of 1 Warrant for every 1 Rights Share subscribed for ("Rights Issue").
The last date and time for acceptance, excess application and payment is 1 March 2024 at 5.00 P.M.

On 14 February 2024, TA Securities announced on behalf of the Board that the abridged prospectus in relation to the Rights Issue ("Abridged Prospectus"), together with the notice of provisional allotments ("NPA") and rights subscription form ("RSF") have been duly registered by the Securities Commission Malaysia and lodged with the Registrar of Companies.

On 15 February 2024, TA Securities announced on behalf of the Board the Abridged Prospectus, NPA and RSF has been submitted to Bursa Securities website.

On 8 March 2024, TA Securities announced that as at the close of acceptance, excess application and payment for the Rights Issue at 5.00 p.m. on 1 March 2024, DTB :

- (i) had received valid acceptances and excess applications for a total of 433,818,947 Rights Shares, representing a subscription rate of 99.85% over the total number of Rights Shares available for subscription under the Rights Issue.
- (ii) will issued Warrants on the basis of 1 Warrant for every 1 Rights Share successfully subscribed for successful applicants.
- (iii) has decided to allot the excess Rights Shares to all the entitled shareholders and/ or their renounee(s) and/ or transferee(s) who have applied for the excess Rights Shares. The total number of excess Rights Shares applied was 266,745,671 .

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19 Status of Corporate Proposal (cont'd)

On 15 March 2024, TA Securities announced that the Right Issue has been completed following the listing and quotation of 433,818,947 Rights Shares and 433,818,947 Warrants on the Main Market of Bursa Securities on 15 March 2024.

On 22 March 2024, TA Securities announced that the effective date for the implementation of the New SIS is 22 March 2024, being the date on which the Company is in full compliance with relevant requirements including Paragraph 6.43(1) of the Listing Requirements.

Utilisation of proceeds from corporate proposal:

Purpose	Proposed Utilisation	Actual Utilisation	Balance to be Utilised	Expected time frame for the utilisation of proceeds (from the date of listing of the Rights Shares)
	RM'000	RM'000	RM'000	
Construction of a new warehouse and additional production area	2,000	-	2,000	Within 24 months
Capital expenditure for purchase of machinery and equipment and installation of enterprise resource planning system	4,200	473	3,727	Within 24 months
Repayment of bank borrowings	16,000	12,652	3,348	Within 12 months
Working capital	7,352	6,996	356	Within 24 months
Construction of new factory building in Thailand	8,000	-	8,000	Within 24 months
Estimated expenses in relation to the Corporate Exercises	1,492	1,457	35	Within 1 month
Total	39,044	21,578	17,466	

* As at 29 May 2024

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 31 March 2024 were as follows:

	As At 31 March 2024	
	Foreign Denomination '000	RM'000
Secured:		
Short Term (Denominated in THB)		
Bank overdrafts	20,705	2,685
Promissory note	7,969	1,034
Term loans	6,615	858
	35,289	4,577
Short Term (Denominated in RM)		
Bank overdrafts	-	374
Bankers' acceptance	-	8,527
Revolving credits	-	7,702
Term loans	-	1,837
Hire purchases and lease creditors	-	1,120
	-	19,560
Total Short Term	35,289	24,137
Long Term (Denominated in THB)		
Term loans	8,940	1,159
	8,940	1,159
Long Term (Denominated in RM)		
Term loans	-	25,823
Hire purchases and lease creditors	-	3,180
	-	29,003
Total Long Term	8,940	30,162
Total	44,229	54,299

Total borrowings as at 31 March 2024

		Exchange Rate	RM'000
(a) in Thai Baht	THB 44,229,000	0.1297	5,736
(b) in Ringgit Malaysia	RM 48,563,000	-	48,563
			<u>54,299</u>

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

The Group Borrowings as at 31 March 2024 were as follows (cont'd):

	As At 31 March 2023	
	Foreign Denomination '000	RM'000
Secured:		
Short Term (Denominated in THB)		
Trust receipts	4,339	561
Term loans	15,360	1,986
Hire purchases and lease creditors	1,436	186
	21,135	2,733
Short Term (Denominated in RM)		
Bank overdrafts	-	4,362
Bankers' acceptance	-	4,287
Revolving credits	-	8,000
Term loans	-	865
Hire purchases and lease creditors	-	1,207
	-	18,721
Total Short Term	21,135	21,454
Long Term (Denominated in THB)		
Term loans	16,404	391
Hire purchases and lease creditors	524	195
	16,928	586
Long Term (Denominated in RM)		
Term loans	-	13,460
Hire purchases and lease creditors	-	3,874
	-	17,334
Total Long Term	4,534	17,920
Total	25,669	39,374

Total borrowings as at 31 March 2023

		Exchange Rate	RM'000
(a) in Thai Baht	THB 38,063,000	0.1293	3,319
(b) in Ringgit Malaysia	RM 36,055,000	-	36,055
			<u>39,374</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:

	31 March 2024	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.

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25 Earnings Per Share

	Current Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
Basic	31 March 2024	31 March 2023	31 March 2024	31 March 2023
(Loss)/Profit attributable to ordinary equity holders of the parent (RM'000)	(2,674)	(2,638)	(8,832)	(259)
Weighted average number of ordinary shares in issue ('000)	579,069	395,323	470,614	395,323
Basic (loss)/earnings per share (sen)	(0.46)	(0.67)	(1.88)	(0.07)

	Current Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
Diluted	31 March 2024	31 March 2023	31 March 2024	31 March 2023
(Loss)/Profit attributable to ordinary equity holders of the parent (RM'000)	(2,674)	(2,638)	(8,832)	(259)
Weighted average number of ordinary shares in issue ('000)	579,069	395,323	470,614	395,323
Diluted (loss)/earnings per share (sen)	(0.46)	(0.67)	(1.88)	(0.07)

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

	As At 31 March 2024 RM'000	As At 31 March 2023 RM'000
Total assets	333,996	289,560
Less: Total liabilities	(95,534)	(81,586)
Net Assets	238,462	207,974
Number of ordinary shares in issue ('000) (Note 7)	868,281	434,462
Net Assets Per Share (RM)	0.27	0.48

27 Authorisation For Issue

The Board of Directors authorised the issue of this unaudited interim financial statements on 30 May 2024.