



D'NONCE GROUP OF COMPANIES

INTERIM FINANCIAL RESULTS

THIRD QUARTER ENDED 31 JANUARY 2022

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

The Board wishes to announce the following unaudited results of the Group for the third quarter ended 31 January 2022.

Unaudited Condensed Consolidated Statement of Financial Position As At 31 January 2022

	<i>Note</i>	As At 31/01/2022 RM'000	As At 30/04/2021 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		67,405	68,022
Investment properties		12,966	13,212
Intangible assets		289	289
Trade receivable		71	178
Other receivable		7	16
Deferred tax assets		157	165
Right Of Use Asset		2,981	4,151
		83,876	86,033
Currents assets			
Inventory property		425	425
Inventories		29,404	20,010
Trade receivables		31,073	31,332
Other receivables, deposits and prepayments		25,388	28,221
Contract assets		-	696
Investment		5,496	-
Tax recoverable		2,171	1,508
Cash and bank balances		39,433	40,830
		133,390	123,022
TOTAL ASSETS		217,266	209,055
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	7	111,361	92,806
Other capital reserve		5,120	5,120
Foreign currency translation reserve		4,508	6,089
Employees share option scheme reserve	7	35	35
Legal reserve		32	32
Revaluation reserve		19,284	19,284
Retained earnings		25,489	17,526
		165,829	140,892
Non-controlling interests		5,361	5,078
Total equity		171,190	145,970

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The Board wishes to announce the following unaudited results of the Group for the third quarter ended 31 January 2022.

Unaudited Condensed Consolidated Statement of Financial Position As At 31 January 2022 (cont'd)

	<i>Note</i>	As At 31/01/2022 RM'000	As At 30/04/2021 RM'000
Non-current liabilities			
Retirement benefit obligations		2,456	2,406
Borrowings	<i>20</i>	9,720	9,935
Lease liabilities		1,721	2,933
Deferred tax liabilities		5,931	5,945
		<u>19,828</u>	<u>21,219</u>
Current liabilities			
Borrowings	<i>20</i>	7,554	19,742
Lease liabilities		1,494	1,412
Trade payables		10,474	12,508
Other payables		6,151	7,877
Current tax payable		575	327
		<u>26,248</u>	<u>41,866</u>
Total liabilities		<u>46,076</u>	<u>63,085</u>
TOTAL EQUITY AND LIABILITIES		<u>217,266</u>	<u>209,055</u>
Net assets per share (RM)	<i>27</i>	<u>0.46</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 third quarter ended 31 January 2022.

Unaudited Condensed Consolidated Income Statement For The Quarter Ended 31 January 2022

	CURRENT QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	31/01/2022	31/01/2021	31/01/2022	31/01/2021
<i>Note</i>	RM'000	RM'000	RM'000	RM'000
Revenue	47,008	48,506	135,745	136,282
Operating expenses	(42,977)	(42,660)	(122,203)	(118,638)
Other income including investment income	1,423	969	4,141	2,937
Profit from operations	5,454	6,815	17,683	20,581
Depreciation	(2,120)	(2,093)	(6,368)	(6,180)
Foreign exchange (loss)/gain	(84)	61	(382)	(138)
Gain on disposal of property, plant and equipment	15	30	41	51
Interest expense	(466)	(593)	(1,596)	(2,104)
Interest income	55	176	153	433
Property, plant and equipment written off	-	(7)	-	(7)
Provision for write off of inventories	(6)	(136)	(28)	(234)
Reversal of provision/(Provision) for write off of receivables	1	(35)	9	(33)
Profit before taxation	2,849	4,218	9,512	12,369
Taxation	18 (380)	(467)	(1,309)	(1,431)
Profit for the period	<u>2,469</u>	<u>3,751</u>	<u>8,203</u>	<u>10,938</u>
Profit attributable to:				
Owner of the parent	2,386	3,663	7,963	10,670
Non-controlling interests	83	88	240	268
	<u>2,469</u>	<u>3,751</u>	<u>8,203</u>	<u>10,938</u>
Earnings per share:	26			
(a) Basic (sen)	<u>0.66</u>	<u>1.25</u>	<u>2.39</u>	<u>3.73</u>
(b) Fully Diluted (sen)	<u>0.66</u>	<u>1.25</u>	<u>2.39</u>	<u>3.73</u>

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

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The Board wishes to announce the following unaudited results of the Group for the third quarter ended 31 January 2022.

Unaudited Condensed Consolidated Income Statement For The Quarter Ended 31 January 2022
(cont'd)

	CURRENT QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	31/01/2022	31/01/2021	31/01/2022	31/01/2021
<i>Note</i>	RM'000	RM'000	RM'000	RM'000
Profit for the period	2,469	3,751	8,203	10,938
Other comprehensive loss:				
Foreign currency translation differences for foreign operations	104	369	(1,581)	243
Total comprehensive income for the period	<u>2,573</u>	<u>4,120</u>	<u>6,622</u>	<u>11,181</u>
Total comprehensive income attributable to:				
Owner of the parent	2,490	4,032	6,382	10,913
Non-controlling interests	83	88	240	268
	<u>2,573</u>	<u>4,120</u>	<u>6,622</u>	<u>11,181</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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The Board wishes to announce the following unaudited results of the Group for the third quarter ended 31 January 2022.

Unaudited Condensed Consolidated Statement of Changes in Equity For The Quarter Ended 31 January 2022

	←————— Attributable to equity holders of the parent —————→						Retained Earnings RM'000	Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Other Capital Reserve RM'000	Currency Translation Reserve RM'000	Foreign Employees' Share Option Scheme RM'000	Legal Reserve RM'000	Revaluation Reserve 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	-	-	-	-	-	-	7,963	7,963	240	8,203
Other comprehensive loss	-	-	(1,581)	-	-	-	-	(1,581)	-	(1,581)
Total comprehensive income for the period	-	-	(1,581)	-	-	-	7,963	6,382	240	6,622
Issuance of ordinary shares pursuant to Private Placement	18,555	-	-	-	-	-	-	18,555	-	18,555
Acquisition of subsidiary	-	-	-	-	-	-	-	-	43	43
At 31 January 2022	111,361	5,120	4,508	35	32	19,284	25,489	165,829	5,361	171,190

(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.

The Board wishes to announce the following unaudited results of the Group for the third quarter ended 31 January 2022.

Unaudited Condensed Consolidated Statement of Changes in Equity For The Quarter Ended 31 January 2022 (cont'd)

	← 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 2020	75,119	5,120	7,174	104	32	4,958	20,065	3,240	115,812	5,396	121,208
Profit for the period	-	-	-	-	-	-	-	10,670	10,670	268	10,938
Other comprehensive income	-	-	243	-	-	-	-	-	243	-	243
Total comprehensive income for the period	-	-	243	-	-	-	-	10,670	10,913	268	11,181
Issuance of ordinary shares pursuant to											
- ESOS	190	-	-	(67)	-	-	-	-	123	-	123
- warrants	17,493	-	-	-	-	(4,901)	-	-	12,592	-	12,592
	17,683	-	-	(67)	-	(4,901)	-	-	12,715	-	12,715
Expiry of Warrants	-	-	-	-	-	(57)	-	57	-	-	-
Disposal of revaluation of land and buildings	-	-	-	-	-	-	(253)	253	-	-	-
Acquisition of non controlling interests	-	-	-	-	-	-	-	13	13	(613)	(600)
At 31 January 2021	92,802	5,120	7,417	37	32	-	19,812	14,233	139,453	5,051	144,504

(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 third quarter ended 31 January 2022.

Unaudited Condensed Consolidated Statement of Cash Flows For The Period Ended 31 January 2022

	9 months ended	
	31/01/2022	31/01/2021
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	9,512	12,369
Adjustments for non-cash flows:		
Depreciation	6,368	6,180
Gain on disposal of property, plant and equipment	(41)	(51)
Interest expense	1,596	2,104
Interest income	(153)	(433)
Provision for write off of inventories	28	234
Property, plant and equipment written off	-	7
(Reversal of provision)/Provision for write off of receivables	(9)	33
Non-operating items	863	379
Operating profit before working capital changes	18,164	20,822
Decrease/(Increase) in receivables	1,295	(7,939)
(Increase)/Decrease in inventories	(9,433)	3,539
(Decrease)/Increase in payables	(2,432)	1,482
Cash generated from operations	7,594	17,904
Tax paid	(1,032)	(562)
Interest paid	(1,389)	(1,899)
Retirement benefit obligations paid	-	(34)
Net cash generated from operating activities	5,173	15,409
Cash Flows From Investing Activities		
Interest income	153	433
Purchase of property, plant and equipment	(5,468)	(2,962)
Proceeds from disposal of property, plant and equipment	41	615
Net changes to fixed deposit	1,727	(275)
Net additions of investment	(5,496)	-
Acquisition of non-controlling interests	-	(600)
Net cash used in investing activities	(9,043)	(2,789)
Cash Flows From Financing Activities		
Proceeds from exercise of ESOS	-	123
Proceeds from ordinary shares issued through to private placement	18,555	-
Proceeds from exercise of warrants	-	12,592
Repayment of short term borrowings	(11,244)	(15,267)
Repayment of lease liabilities	(1,336)	(987)
Repayment of hire purchase and lease financing	(1,452)	(1,566)
Drawdown/(Repayment) of term loans	521	(848)
Net cash generated from financing activities	5,044	(5,953)

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The Board wishes to announce the following unaudited results of the Group for the third quarter ended 31 January 2022.

Unaudited Condensed Consolidated Statement of Cash Flows For The Period Ended 31 January 2022
(cont'd)

	9 months ended	
	31/01/2022	31/01/2021
	RM'000	RM'000
Net increase in cash and cash equivalents	1,174	6,667
Effect of exchange rate changes	(616)	(178)
Cash and cash equivalents at beginning of the period	22,604	5,527
Cash and cash equivalents at end of the period	<u>23,162</u>	<u>12,016</u>
Cash and cash equivalents comprise:		
Cash and bank balances	39,433	37,428
Bank overdraft - secured	(6)	(2,725)
	<u>39,427</u>	<u>34,703</u>
Less: Deposits with licensed banks for more than 3 months and pledged with licensed banks	<u>(16,265)</u>	<u>(22,687)</u>
	<u>23,162</u>	<u>12,016</u>

Reconciliation of liabilities arising from financing activities:

	Carrying amount as at 1 May 2021	Cash flows	Non-cash changes Others	Carrying amount as at 31 January 2022
	RM'000	RM'000	RM'000	RM'000
Short term borrowings	14,655	(11,244)	-	3,411
Hire purchase and lease financing	4,309	(1,452)	-	2,857
Term loans	10,479	521	-	11,000
	<u>29,443</u>	<u>(12,175)</u>	<u>-</u>	<u>17,268</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 third quarter ended 31 January 2022

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

2 Significant Accounting Policies (cont'd)

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

Initial Application of MFRS 17 and MFRS 9: Comparative Information (Amendment 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

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 January 2022, a total of 52,625,400 new ordinary shares were issued and allotted pursuant to the exercise of the Private Placement and 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 January 2022 are as follows:

Share Capital

	No. of shares	RM'000
As at 31 October 2021	323,127,300	96,156
Ordinary shares issued pursuant to the Private Placement	52,625,400	15,205
As at 31 January 2022	375,752,700	111,361

ESOS Reserve

	No. of options	RM'000
As at 31 October 2021	259,000	35
Exercised	-	-
As at 31 January 2022	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

Period ended 31-Jan-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	46,717	71,393	17,635	-	-	135,745
Inter-segment revenue	4,043	8,656	793	-	(13,492)	-
Total segment revenue	50,760	80,049	18,428	-	(13,492)	135,745
RESULTS						
Segment results	7,119	8,456	703	(247)	-	16,031
Unallocated expenses						(4,923)
Operating profit						11,108
Finance costs, net						(1,596)
Profit before taxation						9,512
Taxation						(1,309)
Profit after taxation						8,203
Segment assets	70,131	113,746	18,830	11,098	-	213,805
Unallocated assets						3,461
Total assets						217,266
Segment liabilities	18,486	24,125	2,519	479	-	45,609
Unallocated liabilities						467
Total liabilities						46,076

* 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-Jan-21	Healthcare	Electrical and Electronics	Other Industries*	Others ^	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE						
External revenue	45,392	71,564	19,326	-	-	136,282
Inter-segment revenue	3,173	7,305	3,325	-	(13,803)	-
Total segment revenue	48,565	78,869	22,651	-	(13,803)	136,282
RESULTS						
Segment results	7,671	10,538	1,197	(375)	-	19,031
Unallocated expenses						(4,558)
Operating profit						14,473
Finance costs, net						(2,104)
Profit before taxation						12,369
Taxation						(1,431)
Profit after taxation						10,938
Segment assets	59,598	114,370	20,254	10,407	-	204,629
Unallocated assets						3,223
Total assets						207,852
Segment liabilities	16,227	41,022	5,847	95	-	63,191
Unallocated liabilities						157
Total liabilities						63,348

* 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 24.

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 RM16.89 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 January 2022 are as follows:

RM'000	
Approved and contracted for:	
- Land and building	3,870
- Plant and Machinery	1,277
Total Capital Commitments	5,147

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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 third quarter ended 31 January 2022 ("Q3'22") with the corresponding period last financial year ("Q3'21") is as follows:

	Quarter 3			Year-To-Date		
	FY2022 RM'000	FY2021 RM'000	Variance %	FY2022 RM'000	FY2021 RM'000	Variance %
Revenue	47,008	48,506	-3%	135,745	136,282	0%
Operating profit	5,454	6,815	-20%	17,683	20,581	-14%
Profit before interest and tax	3,315	4,811	-31%	11,108	14,473	-23%
Profit before tax	2,849	4,218	-32%	9,512	12,369	-23%
Profit after tax	2,469	3,751	-34%	8,203	10,938	-25%
Profit attributable to ordinary equity holders of the parent	2,386	3,663	-35%	7,963	10,670	-25%

Group

The Group achieved revenue of RM47.0 million for the current quarter as compared to RM48.5 million for the corresponding quarter last year, a reduction of RM1.5 million or 3%. The revenue breakdown by segments are as below.

Revenue for the current quarter was contributed by the electrical and electronics customer segment of RM24.2 million (Q3'21: RM21.9 million), followed by the healthcare customer segment of RM16.1 million (Q3'21: RM14.7 million) and other segments contributing RM6.7 million (Q3'21: RM11.9 million).

The electrical and electronics customer segment contributed RM2.8 million (Q3'21: RM3.5 million) in segment results, mainly from the subsidiaries in Malaysia, while the healthcare customer segment contributed RM2.1 million (Q3'21: RM2.7 million) in segment results, mainly from a subsidiary in Thailand. Another RM0.3 million (Q3'21: RM0.8 million) in segment results was contributed by the other industries and RM0.1 million segment loss (Q3'21: RM0.2 segment loss) from the others segment. The reduction in segment results is mainly from change in product mix and escalating costs challenges in the current quarter.

Based on the above, the Group posted profit attributable to ordinary equity holders of parent of RM2.4 million for the current quarter, a decrease of RM1.3 million or 35% as compared to RM3.7 million for the same quarter last year.

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15 Material Changes in Profit Before Taxation Against Preceding Quarter

	Q3'22 31 January 2022 RM'000	Q2'22 31 October 2021 RM'000	Variance %
Revenue	47,008	46,806	0%
Operating profit	5,454	6,423	-15%
Profit before interest and tax	3,315	4,189	-21%
Profit before tax	2,849	3,642	-22%
Profit after tax	2,469	3,072	-20%
Profit attributable to ordinary equity holders of the parent	2,386	2,940	-19%

Group

The Group achieved RM47.0 million in revenue for the current quarter, an increase of RM0.2 million or 0.4% as compared to RM46.8 million in the preceding quarter. The profit attributable to the ordinary equity holders of the parent was RM2.4 million, a decrease of RM0.5 million or 19% as compared to a profit attributable to ordinary equity holders of the parent of RM2.9 million in the previous quarter.

The performance by business segments are further analysed as below:

Healthcare

The revenue for this segment was RM16.1 million for the current quarter as compared to RM15.8 million in the preceding quarter. The segment generated RM2.1 million in segment results as compared to RM2.4 million in the last quarter. While revenue increased by RM0.3 million or 1.6% as compared to last quarter, segment results were lower as the segment faced escalating costs challenges during the current quarter.

Electrical and Electronics

The revenue for this segment was RM24.2 million for the current quarter as compared to RM25.0 million in the preceding quarter. The segment generated RM2.8 million in segment results as compared to RM3.3 million in the last quarter. The decrease in revenue and segment results are mainly due to change in the product mix and escalating cost challenges in the current quarter.

Other Industries

The revenue for this segment was RM6.7 million for the current quarter as compared to RM6.0 million in the preceding quarter. The segment generated RM0.3 million in segment results as compared to RM0.2 million in the last quarter.

Others

The segment generated RM0.1 million loss in segment results as compared to RM30,000 loss in the last quarter.

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16 Prospects

Global economic uncertainties is expected to continue throughout 2022 amid a resurgence of COVID-19 variants, global supply chain disruptions resulting in escalating cost challenges, and increasing tensions in Europe arising from the Ukraine/Russia situation. It is challenging to predict the full extent and duration of these impact on the global economy.

Despite the prevailing 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	
	31 January 2022 RM'000	31 January 2021 RM'000	31 January 2022 RM'000	31 January 2021 RM'000
Current tax:				
Current period	(372)	(869)	(1,291)	(1,832)
Prior period	(17)	353	(32)	353
Deferred tax:				
Current period	10	49	26	62
Prior period	(1)	-	(12)	(14)
Tax expenses	(380)	(467)	(1,309)	(1,431)

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").

Bursa Securities has, vide its letter dated 4 October 2021, approved the listing and quotation of up to 62,677,200 new ordinary shares to be issued pursuant to the Proposed Private Placement.

On 12 October 2021, the Company announced that the Board of Directors has resolved to fix the issue price for the first tranche of the Placement Shares at RM0.3350 each.

On 15 October 2021, the Company announced that the first tranche of the Private Placement comprising 10,000,000 Placement Shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad.

On 12 November 2021, the Company announced that the Board of Directors has resolved to fix the issue price for the second tranche of the Placement Shares at RM0.3150 each.

On 22 November 2021, the Company announced that the second tranche of the Private Placement comprising 10,000,000 Placement Shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad.

On 25 November 2021, the Company announced that the Board of Directors has resolved to fix the issue price for the third tranche of the Placement Shares at RM0.3120 each.

On 29 November 2021, the Company announced that the third tranche of the Private Placement comprising 20,000,000 Placement Shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad.

On 8 December 2021, the Company announced that the Board of Directors has resolved to fix the issue price for the fourth tranche of the Placement Shares at RM0.2570 each.

On 13 December 2021, the Company announced that the fourth tranche of the Private Placement comprising 22,625,400 Placement Shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad.

Up to the completion date of 14 December 2021, a total of 62,625,400 shares were issued under the Private Placement and the Company has raised a total gross proceeds of RM18,554,727.80 from the Private Placement.

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19 Status of Corporate Proposal (cont'd)

Summary of the utilisation of proceeds are as follows:-

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance to be Utilised RM'000	Proposed timeframe
Repayment of bank borrowings	14,483	12,670	1,813	Within 12 months
Working capital	3,879	3,879	-	Within 12 months
Estimated expenses for the Private Placement	193	193	-	Immediate
Total	18,555	16,742	1,813	

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 January 2022 were as follows:

	As At 31 January 2022	
	Foreign Denomination '000	RM'000
Secured:		
Short Term (Denominated in THB)		
Trust receipts	16,111	2,019
Promissory note	5,615	704
Term loans	18,324	2,296
Hire purchases and lease creditors	1,863	233
	41,913	5,252
Short Term (Denominated in RM)		
Bank overdrafts	-	6
Bankers' acceptance	-	688
Term loans	-	534
Hire purchases and lease creditors	-	1,074
	-	2,302
Total Short Term	41,913	7,554
Long Term (Denominated in THB)		
Term loans	29,346	3,677
Hire purchases and lease creditors	4,733	593
	34,079	4,270
Long Term (Denominated in RM)		
Term loans	-	4,493
Hire purchases and lease creditors	-	957
	-	5,450
Total Long Term	34,079	9,720
Total	75,992	17,274

Total borrowings as at 31 January 2022

		Exchange Rate	RM'000
(a) in Thai Baht	THB 75,992,000	0.1253	9,522
(b) in Ringgit Malaysia	RM 7,752,000	-	7,752
			<u>17,274</u>

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20 Group Borrowings and Debt Securities (cont'd)

The Group Borrowings as at 31 January 2022 were as follows (cont'd):

	As At 31 January 2021	
	Foreign Denomination '000	RM'000
Secured:		
Short Term (Denominated in THB)		
Bank overdrafts	20,196	2,730
Trust receipts	8,350	1,129
Factoring	1,370	185
Promissory note	13,997	1,892
Term loans	2,964	401
Hire purchases and lease creditors	3,195	432
	50,072	6,769
Short Term (Denominated in RM)		
Bank overdrafts	-	(5)
Bankers' acceptance	-	6,705
Revolving credits	-	2,350
Term loans	-	752
Hire purchases and lease creditors	-	1,231
	-	11,033
Total Short Term	50,072	17,802
Long Term (Denominated in THB)		
Term loans	3,460	468
Hire purchases and lease creditors	10,425	1,409
	13,885	1,877
Long Term (Denominated in RM)		
Term loans	-	7,537
Hire purchases and lease creditors	-	1,750
	-	9,287
Total Long Term	13,885	11,164
Total	63,957	28,966

Total borrowings as at 31 January 2021

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

20 Group Borrowings and Debt Securities (cont'd)

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:

	31 January 2022	31 January 2021
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 Change of Financial Year End

As announced on 23 December 2021, the Board of Directors has approved the change the financial year end from 30 April to 31 March to be in line with the financial year end of its major shareholder, AT Systematization Berhad and therefore better overall management for the Group.

Following the change of financial year ended, the next audited financial statements of the Company shall be for a period of eleven (11) months from 1 May 2021 to 31 March 2022 and thereafter, the financial year end shall be 31 March for each subsequent year.

24 Material Litigation

(a) 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 dates for a trial have been fixed for 17 to 20 October 2022, subject to the outcome of the hearing on the AVKL’s application to strike out the claim by SJRMS (which is scheduled to be heard on 28 April 2022).

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.

25 Dividend

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

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26 Earnings Per Share

	Current Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
Basic	31 January 2022	31 January 2021	31 January 2022	31 January 2021
Profit attributable to ordinary equity holders of the parent (RM'000)	2,386	3,663	7,963	10,670
Weighted average number of ordinary shares in issue ('000)	361,544	294,014	332,600	285,779
Basic earnings per share (sen)	0.66	1.25	2.39	3.73

	Current Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
Diluted	31 January 2022	31 January 2021	31 January 2022	31 January 2021
Profit attributable to ordinary equity holders of the parent (RM'000)	2,386	3,663	7,963	10,670
Weighted average number of ordinary shares in issue ('000)	361,601	294,164	332,707	285,905
Diluted earnings per share (sen)	0.66	1.25	2.39	3.73

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27 Net Assets Per Share

	As At 31 January 2022 RM'000	As At 30 April 2021 RM'000
Total assets	217,266	209,055
Less: Total liabilities	(46,076)	(63,085)
Net Assets	171,190	145,970
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Number of ordinary shares in issue ('000) (Note 7)	375,753	313,127
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Net Assets Per Share (RM)	0.46	0.47

28 Authorisation For Issue

The Board of Directors authorised the issue of this unaudited interim financial statements on 23 March 2022.