



**D'NONCE GROUP OF COMPANIES**

**INTERIM FINANCIAL RESULTS**

**THIRD QUARTER ENDED 31 DECEMBER 2023**

The Board wishes to announce the following unaudited results of the Group for the third quarter ended 31 December 2023.

**Unaudited Condensed Consolidated Statement of Financial Position As At 31 December 2023**

		(Audited)
	As At	As At
	31/12/2023	31/03/2023
<i>Note</i>	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	137,199	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	3,431	4,111
	<u>170,859</u>	<u>152,062</u>
<b>Currents assets</b>		
Inventory property	11,377	11,377
Inventories	23,788	25,947
Trade receivables	29,677	29,770
Other receivables, deposits and prepayments	18,668	17,672
Contract assets	-	856
Investment	23,506	24,063
Tax recoverable	2,778	1,963
Cash and bank balances	23,785	25,850
	<u>133,579</u>	<u>137,498</u>
<b>TOTAL ASSETS</b>	<u>304,438</u>	<u>289,560</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	7 117,911	117,911
Other capital reserve	5,120	5,120
Foreign currency translation reserve	8,497	6,856
Legal reserve	32	32
Revaluation reserve	36,969	36,969
Retained earnings	29,230	35,388
	<u>197,759</u>	<u>202,276</u>
<b>Non-controlling interests</b>	5,706	5,698
<b>Total equity</b>	<u>203,465</u>	<u>207,974</u>

The Board wishes to announce the following unaudited results of the Group for the third quarter ended 31 December 2023.

**Unaudited Condensed Consolidated Statement of Financial Position As At 31 December 2023 (cont'd)**

		As At 31/12/2023 RM'000	(Audited) As At 31/03/2023 RM'000
<b>Non-current liabilities</b>			
Retirement benefit obligations		3,917	3,523
Borrowings	20	32,250	17,920
Lease liabilities		3,080	2,357
Deferred tax liabilities		11,135	11,225
		<u>50,382</u>	<u>35,025</u>
<b>Current liabilities</b>			
Borrowings	20	26,337	21,454
Lease liabilities		1,111	1,864
Trade payables		16,054	13,485
Other payables		7,089	9,758
		<u>50,591</u>	<u>46,561</u>
<b>Total liabilities</b>		<u>100,973</u>	<u>81,586</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>304,438</u>	<u>289,560</u>
<b>Net assets per share (RM)</b>	26	<u>0.47</u>	<u>0.55</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 third quarter ended 31 December 2023.

**Unaudited Condensed Consolidated Statement of Financial Position As At RM'000**

	<i>Note</i>	<b>CURRENT QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
		<b>3 months ended</b>		<b>9 months ended</b>	
		<b>31/12/2023</b>	<b>31/12/2022</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue		43,469	39,936	131,221	128,595
Operating expenses		(42,375)	(39,077)	(126,927)	(122,998)
Other income including investment income		1,073	966	3,260	3,552
Profit from operations		2,167	1,825	7,554	9,149
Depreciation		(2,585)	(1,868)	(7,638)	(6,406)
Fair value adjustment on other investments		(2,696)	1,266	(5,017)	(2,130)
Foreign exchange gain		353	325	571	445
Fair value on investment properties		-	-	-	4,514
Gain on disposal of property, plant and equipment		-	15	37	15
Gain on disposal of quoted or unquoted investments or properties		286	-	286	-
Interest expense		(884)	(401)	(2,320)	(1,241)
Interest income		37	35	142	112
Property, plant and equipment written off		(1)	(49)	(1)	(79)
Provision for and written back / (written off) of inventories		381	(78)	432	(310)
Reversal of provision for write off of receivables		(12)	(19)	(25)	(92)
(Loss)/Profit before taxation		(2,954)	1,051	(5,979)	3,977
Taxation	<b>18</b>	(17)	(305)	(171)	(1,355)
(Loss)/Profit for the period		(2,971)	746	(6,150)	2,622
<b>(Loss) /Profit attributable to:</b>					
Owner of the parent		(2,953)	673	(6,158)	2,379
Non-controlling interests		(18)	73	8	243
		(2,971)	746	(6,150)	2,622
(Loss)/Earnings per share:	<b>25</b>				
(a) Basic (sen)		(0.68)	0.17	(1.42)	0.62
(b) Fully Diluted (sen)		(0.68)	0.17	(1.42)	0.62

**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 third quarter ended 31 December 2023.

**Unaudited Condensed Consolidated Statement of Financial Position As At RM'000****(cont'd)**

	<b>CURRENT QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>31/12/2023</b>	<b>31/12/2022</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
<i>Note</i>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(Loss)/Profit for the period	(2,971)	746	(6,150)	2,622
Other comprehensive loss:				
Foreign currency translation				
differences for foreign operations	2,011	1,586	1,641	488
Total comprehensive (loss)/income for the period	<u>(960)</u>	<u>2,332</u>	<u>(4,509)</u>	<u>3,110</u>
<b>Total comprehensive (loss)/income attributable to:</b>				
Owner of the parent	(942)	2,258	(4,517)	2,867
Non-controlling interests	(18)	74	8	243
	<u>(960)</u>	<u>2,332</u>	<u>(4,509)</u>	<u>3,110</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 third quarter ended 31 December 2023.

**Unaudited Condensed Consolidated Statement of Changes in Equity For The Quarter Ended 31 December 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	-	-	-	-	-	(6,158)	(6,158)	8	(6,150)
Other comprehensive income	-	-	1,641	-	-	-	1,641	-	1,641
Total comprehensive income / (loss) for the period	-	-	1,641	-	-	(6,158)	(4,517)	8	(4,509)
At 31 December 2023	117,911	5,120	8,497	32	36,969	29,230	197,759	5,706	203,465

**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 third quarter ended 31 December 2023.

**Unaudited Condensed Consolidated Statement of Changes in Equity For The Quarter Ended 31 December 2023 (cont'd)**

	←————— Attributable to equity holders of the parent —————→						Retained Earnings	Total	Non-controlling Interests	Total Equity
	←————— Non-distributable —————→			—————→ Distributable						
	Share Capital	Other Capital Reserve	Foreign Currency Translation Reserve	Employees' Share Option Scheme	Legal Reserve	Revaluation Reserve	RM'000	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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	-	-	-	-	-	-	2,379	2,379	243	2,622
Other comprehensive income	-	-	488	-	-	-	-	488	-	488
Total comprehensive income for the period	-	-	488	-	-	-	2,379	2,867	243	3,110
Issuance of ordinary shares pursuant to acquisition of subsidiary	6,752	-	-	-	-	-	-	6,752	-	6,752
Termination of ESOS Scheme	-	-	-	(31)	-	-	31	-	-	-
At 31 December 2022	117,911	5,120	5,339	-	32	37,325	37,280	203,007	5,640	208,647

**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 third quarter ended 31 December 2023.

**Unaudited Condensed Consolidated Statement of Cash Flows For The Period Ended 31 December 2023**

	<b>9 months ended</b>	
	<b>31/12/2023</b>	<b>31/12/2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
(Loss)/Profit before taxation	(5,979)	3,977
Adjustments for non-cash flows:		
Depreciation	7,638	6,406
Fair value gain on investment properties	-	(4,514)
Fair value adjustment on other investments	5,017	2,130
Gain on disposal of property, plant and equipment	(37)	(15)
Interest expense	2,320	1,241
Interest income	(142)	(112)
Provision for (written back)/written off of inventories	(432)	310
Property, plant and equipment written off	1	79
Provision for write off of receivables	25	92
Non-operating items	538	403
Operating profit before working capital changes	8,949	9,997
Decrease/(Increase) in receivables	644	(5,464)
Decrease/(Increase) in inventories	2,111	(2,530)
Increase in inventory property	-	(950)
Decrease in payables	(94)	(1,186)
Cash generated from operations	11,610	(133)
Tax paid	(199)	(1,258)
Interest paid	(2,208)	(1,029)
Net cash generated from/ (used in) operating activities	9,203	(2,420)
<b>Cash Flows From Investing Activities</b>		
Interest income	142	112
Purchase of property, plant and equipment	(25,419)	(3,768)
Proceeds from disposal of property, plant and equipment	77	17
Net changes to fixed deposit	1,363	8,503
Net changes to investment	(4,460)	(8,270)
Net cash used in investing activities	(28,297)	(3,406)
<b>Cash Flows From Financing Activities</b>		
Net changes in short term borrowings	3,655	1,630
Repayment of lease liabilities	(1,278)	(1,627)
Repayment of hire purchase and lease financing	(997)	(534)
Drawdown/(Repayment) of term loans	14,010	(1,908)
Net cash generated from/ (used in) financing activities	15,390	(2,439)



**D'NONCE TECHNOLOGY BHD.**  
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The Board wishes to announce the following unaudited results of the Group for the third quarter ended 31 December 2023.

**Unaudited Condensed Consolidated Statement of Cash Flows For The Period Ended 31 December 2023**  
**(cont'd)**

	<b>9 months ended</b>	
	<b>31/12/2023</b>	<b>31/12/2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Net decrease in cash and cash equivalents	(3,704)	(8,265)
Effect of exchange rate changes	458	173
Cash and cash equivalents at beginning of the period	11,948	22,964
Cash and cash equivalents at end of the period	8,702	14,872
Cash and cash equivalents comprise:		
Cash and bank balances	23,785	24,530
Bank overdraft - secured	(6,907)	(169)
	16,878	24,361
Less: Deposits with licensed banks for more than 3 months and pledged with licensed banks	(8,176)	(9,489)
	8,702	14,872

Reconciliation of liabilities arising from financing activities:

	<b>Carrying amount as at 1 April 2023</b>	<b>Cash flows</b>	<b>Non-cash changes</b>	<b>Carrying amount as at 31 December 2023</b>
	<b>RM'000</b>		<b>RM'000</b>	<b>Others</b>
Short term borrowings	12,849	3,655	-	16,504
Hire purchase and lease financing	5,462	(997)	-	4,465
Term loans	16,701	14,010	-	30,711
	35,012	16,668	-	51,680

**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.**

**(200001000687 / 503292-K)**

## **Notes to the condensed consolidated interim financial statements of the Group for the third quarter ended 31 December 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.

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

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

As at the quarter ended 31 December 2023, there were no new ordinary shares issued and allotted, details of the issued and paid-up capital of the Company as at 31 December 2023 are as follows:

**Share Capital**

	<b>No. of shares</b>	<b>RM'000</b>
As at 30 September 2023 / 31 December 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 31-Dec-23	Healthcare	Electrical and Electronics	Other Industries*	Others ^	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>						
External revenue	44,472	59,374	27,376	-	-	131,221
Inter-segment revenue	3,125	5,347	27	-	(8,499)	-
<b>Total segment revenue</b>	<b>47,597</b>	<b>64,721</b>	<b>27,403</b>	<b>-</b>	<b>(8,499)</b>	<b>131,221</b>
<b>RESULTS</b>						
<b>Segment results</b>	<b>3,303</b>	<b>1,685</b>	<b>1,093</b>	<b>(47)</b>	<b>-</b>	<b>6,034</b>
Unallocated expenses						(9,693)
Operating loss						(3,659)
Finance costs, net						(2,320)
Loss before taxation						(5,979)
Taxation						(171)
Loss after taxation						(6,150)
<b>Segment assets</b>	85,204	172,432	29,432	12,063	-	299,131
Unallocated assets						5,307
<b>Total assets</b>						<b>304,438</b>
<b>Segment liabilities</b>	17,541	61,624	19,879	64	-	99,108
Unallocated liabilities						1,865
<b>Total liabilities</b>						<b>100,973</b>

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

^ Other is pertaining to dormant companies.

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

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

By customer segments

Period ended 31-Dec-22	Healthcare	Electrical and Electronics	Other Industries*	Others ^	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>						
External revenue	39,813	69,530	19,252	-	-	128,595
Inter-segment revenue	3,428	6,430	120	-	(9,978)	-
<b>Total segment revenue</b>	<b>43,241</b>	<b>75,960</b>	<b>19,372</b>	<b>-</b>	<b>(9,978)</b>	<b>128,595</b>
<b>RESULTS</b>						
<b>Segment results</b>	<b>2,540</b>	<b>7,414</b>	<b>624</b>	<b>(450)</b>	<b>-</b>	<b>10,128</b>
Unallocated expenses						(4,910)
Operating profit						5,218
Finance costs, net						(1,241)
Profit before taxation						3,977
Taxation						(1,355)
Profit after taxation						2,622
<b>Segment assets</b>	<b>87,795</b>	<b>140,772</b>	<b>26,241</b>	<b>12,803</b>	<b>-</b>	<b>267,611</b>
Unallocated assets						6,495
<b>Total assets</b>						<b>274,106</b>
<b>Segment liabilities</b>	<b>18,970</b>	<b>34,427</b>	<b>10,389</b>	<b>1,321</b>	<b>-</b>	<b>65,107</b>
Unallocated liabilities						352
<b>Total liabilities</b>						<b>65,459</b>

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

^ Other is pertaining to dormant companies.

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**10 Subsequent Material Event**

There were no significant subsequent material events that have taken place subsequent to the statements of financial position date.

**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 RM58.47 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 December 2023 are as follows:

	<b>RM'000</b>
Approved and contracted for:	
- Land and building	3,870
- Renovation	644
<b>Total Capital Commitments</b>	<b>4,514</b>

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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 December 2023 ("Q3'24") with the corresponding period last financial year ("Q3'23") is as follows:

	Quarter 3			Year-To-Date		
	FY2024 RM'000	FY2023 RM'000	Variance %	FY2024 RM'000	FY2023 RM'000	Variance %
Revenue	43,469	39,936	9%	131,221	128,595	2%
Operating profit	2,167	1,825	19%	7,554	9,149	-17%
(Loss)/Profit before interest and tax	(2,070)	1,452	-243%	(3,659)	5,218	-170%
(Loss)/Profit before tax	(2,954)	1,051	-381%	(5,979)	3,977	-250%
(Loss)/Profit after tax	(2,971)	746	-498%	(6,150)	2,622	-335%
(Loss)/Profit attributable to ordinary equity holders of the parent	(2,953)	673	-539%	(6,158)	2,379	-359%

**Group**

The Group achieved revenue of RM43.5 million for the current quarter as compared to RM39.9 million for the corresponding quarter last year, a increased of RM3.6 million or 9%.

The Group achieved segment results of RM2.1 million for the current quarter, a decrease of RM0.9 million or 30% as compared to RM3 million in segment results last year.

Revenue for the Healthcare customer segment was RM15.7 million as compared to RM11.0 million last year, an increased of RM4.7 million or 42.7%, mainly due to the higher demand for latex gloves where our segment operates in. Segment results was RM1 million for the current quarter and in the corresponding quarter last year.

The electrical and electronics ("E&E") customer segment contributed RM18.7 million revenue for the current quarter, as compared to RM21.3 million last year, a reduction of RM2.6 million or 12.2%, mainly due to the continuous soft global market demand in the E&E industry. Segment results was RM1 million for the current quarter, a decrease of RM1.2 million or 54.5% as compared to RM2.2 million in segment results last year, mainly from the reduction in revenue and cost challenges.

Revenue for the other industries during the quarter under review was RM9.1 million as compared to RM7.6 million last year, an increase of RM1.5 million or 19.7%. The increase is mainly contributed by the addition of revenue from the subsidiary acquired at the end of December 2022. Segment results was RM9,000, an increase of RM62,000 as compared to loss of RM53,000 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 RM3 million for the current quarter, a decreased of RM2.3 million or 538.8% as compared to profit attributable of RM0.7 million for the same quarter last year.

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

	<b>Q3'24</b> <b>31 December 2023</b> <b>RM'000</b>	<b>Q2'24</b> <b>30 September 2023</b> <b>RM'000</b>	<b>Variance</b>  <b>%</b>
Revenue	43,469	44,850	-3%
Operating profit	2,167	3,644	-41%
(Loss)/Profit before interest and tax	(2,070)	3,575	-158%
(Loss)/Profit before tax	(2,954)	2,793	-206%
(Loss)/Profit after tax	(2,971)	2,706	-210%
(Loss)/Profit attributable to ordinary equity holders of the parent	(2,953)	2,704	-209%

**Group**

The Group achieved RM43.5 million in revenue for the current quarter, a decreased of RM1.4 million or 3.1% as compared to RM44.9 million in the preceding quarter. The loss attributable to the ordinary equity holders of the parent was RM3 million as compared to a profit attributable to ordinary equity holders of the parent of RM2.7 million in the previous quarter.

The performance by business segments are further analysed as below:

**Healthcare**

The revenue for this segment was RM15.7 million for the current quarter as compared to RM15.4 million in the preceding quarter, a increase of RM0.3 million or 1.9%. The segment generated RM1 million in segment results as compared to RM1.6 million in the last quarter.

**Electrical and Electronics**

The revenue for this segment was RM18.7 million for the current quarter as compared to RM21 million in the preceding quarter, an decrease of RM2.3 million or 11%. The segment generated RM1 million segment result as compared to RM0.4 million segment result in the last quarter.

**Other Industries**

The revenue for this segment was RM9.1 million for the current quarter as compared to RM8.5 million in the preceding quarter, an increase of RM0.6 million or 7.1%. The segment generated RM9,000 segment profit as compared to RM0.7 million segment profit in the last quarter.

**Others**

The segment generated RM11,000 loss as compared to RM18,000 loss in the last quarter.

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**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 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Current tax:				
Current period	(12)	(298)	(166)	(879)
Prior period	-	(11)	-	(28)
Deferred tax:				
Current period	(5)	5	18	(421)
Prior period	-	(1)	(23)	(27)
<b>Tax expenses</b>	<b>(17)</b>	<b>(305)</b>	<b>(171)</b>	<b>(1,355)</b>

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.

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 December 2023 were as follows:

	As At 31 December 2023	
	Foreign Denomination '000	RM'000
<b>Secured:</b>		
<b>Short Term (Denominated in THB)</b>		
Bank overdrafts	12,255	1,647
Trust receipts	1,867	251
Hire purchases and lease creditors	-	-
	21,597	2,903
<b>Short Term (Denominated in RM)</b>		
Bank overdrafts	-	5,260
Bankers' acceptance	-	8,253
Revolving credits	-	8,000
Term loans	-	1,364
Hire purchases and lease creditors	-	557
	-	23,434
<b>Total Short Term</b>	21,597	26,337
<b>Long Term (Denominated in THB)</b>		
Term loans	12,000	1,613
Hire purchases and lease creditors	-	-
	12,000	1,613
<b>Long Term (Denominated in RM)</b>		
Term loans	-	26,729
Hire purchases and lease creditors	-	3,908
	-	30,637
<b>Total Long Term</b>	12,000	32,250
<b>Total</b>	<b>33,597</b>	<b>58,587</b>

**Total borrowings as at 31 December 2023**

		Exchange Rate	RM'000
(a) in Thai Baht	THB 33,597,000	0.1344	4,516
(b) in Ringgit Malaysia	RM 54,071,000	-	54,071
			<u>58,587</u>

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

The Group Borrowings as at 31 December 2023 were as follows (cont'd):

	As At 31 December 2022	
	Foreign Denomination '000	RM'000
<b>Secured:</b>		
<b>Short Term (Denominated in THB)</b>		
Trust receipts		
Term loans	16,103	2,058
Hire purchases and lease creditors	1,926	246
	18,029	2,304
<b>Short Term (Denominated in RM)</b>		
Bank overdrafts	-	169
Bankers' acceptance	-	5,908
Revolving credits	-	6,000
Term loans	-	534
Hire purchases and lease creditors	-	616
	-	13,227
<b>Total Short Term</b>	18,029	15,531
<b>Long Term (Denominated in THB)</b>		
Term loans	16,404	2,096
Hire purchases and lease creditors	524	67
	16,928	2,163
<b>Long Term (Denominated in RM)</b>		
Term loans	-	4,004
Hire purchases and lease creditors	-	1,012
	-	5,016
<b>Total Long Term</b>	16,928	7,179
<b>Total</b>	<b>34,957</b>	<b>22,710</b>

**Total borrowings as at 31 December 2022**

		Exchange Rate	RM'000
(a) in Thai Baht	THB 34,957,000	0.1278	4,467
(b) in Ringgit Malaysia	RM 18,243,000	-	18,243
			<u>22,710</u>

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

	<b>31 December 2023</b>	<b>31 March 2023</b>
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**

	<b>Current Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
<b>Basic</b>	<b>31 December 2023</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
(Loss)/Profit attributable to ordinary equity holders of the parent (RM'000)	(2,953)	673	(6,158)	2,379
Weighted average number of ordinary shares in issue ('000)	434,462	395,323	434,462	382,276
<b>Basic (loss)/earnings per share (sen)</b>	<b>(0.68)</b>	<b>0.17</b>	<b>(1.42)</b>	<b>0.62</b>

	<b>Current Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
<b>Diluted</b>	<b>31 December 2023</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
(Loss)/Profit attributable to ordinary equity holders of the parent (RM'000)	(2,953)	673	(6,158)	2,379
Weighted average number of ordinary shares in issue ('000)	434,462	395,022	434,462	382,082
<b>Diluted (loss)/earnings per share (sen)</b>	<b>(0.68)</b>	<b>0.17</b>	<b>(1.42)</b>	<b>0.62</b>

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**

	<b>As At 31 December 2023 RM'000</b>	<b>As At 31 March 2023 RM'000</b>
Total assets	304,438	289,560
Less: Total liabilities	(100,973)	(81,586)
<b>Net Assets</b>	<b>203,465</b>	<b>207,974</b>
Number of ordinary shares in issue ('000) (Note 7)	434,462	375,753
<b>Net Assets Per Share (RM)</b>	<b>0.47</b>	<b>0.55</b>

**27 Authorisation For Issue**

The Board of Directors authorised the issue of this unaudited interim financial statements on 23 February 2024.