



D'NONCE GROUP OF COMPANIES

INTERIM FINANCIAL RESULTS

SECOND QUARTER ENDED 31 OCTOBER 2021

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

The Board wishes to announce the following unaudited results of the Group for the second quarter ended 31 October 2021.

Unaudited Condensed Consolidated Statement of Financial Position As At 31 October 2021

	<i>Note</i>	As At 31/10/2021 RM'000	As At 30/04/2021 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		67,432	68,022
Investment properties		13,048	13,212
Intangible assets		289	289
Trade receivable		107	178
Other receivable		10	16
Deferred tax assets		156	165
Right Of Use Asset		3,326	4,151
		<u>84,368</u>	<u>86,033</u>
Currents assets			
Inventory property		425	425
Inventories		27,240	20,010
Trade receivables		30,597	31,332
Other receivables, deposits and prepayments		27,796	28,221
Contract assets		-	696
Tax recoverable		2,057	1,508
Cash and bank balances		40,760	40,830
		<u>128,875</u>	<u>123,022</u>
TOTAL ASSETS		<u>213,243</u>	<u>209,055</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	7	96,156	92,806
Other capital reserve		5,120	5,120
Foreign currency translation reserve		4,404	6,089
Employees share option scheme reserve	7	35	35
Legal reserve		32	32
Revaluation reserve		19,284	19,284
Retained earnings		23,103	17,526
		<u>148,134</u>	<u>140,892</u>
Non-controlling interests		<u>5,235</u>	<u>5,078</u>
Total equity		<u>153,369</u>	<u>145,970</u>

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The Board wishes to announce the following unaudited results of the Group for the second quarter ended 31 October 2021.

Unaudited Condensed Consolidated Statement of Financial Position As At 31 October 2021 (cont'd)

	<i>Note</i>	As At 31/10/2021 RM'000	As At 30/04/2021 RM'000
Non-current liabilities			
Retirement benefit obligations		2,460	2,406
Borrowings	<i>20</i>	12,819	9,935
Lease liabilities		1,844	2,933
Deferred tax liabilities		5,940	5,945
		<u>23,063</u>	<u>21,219</u>
Current liabilities			
Borrowings	<i>20</i>	14,764	19,742
Lease liabilities		1,705	1,412
Trade payables		11,431	12,508
Other payables		8,383	7,877
Current tax payable		528	327
		<u>36,811</u>	<u>41,866</u>
Total liabilities		<u>59,874</u>	<u>63,085</u>
TOTAL EQUITY AND LIABILITIES		<u>213,243</u>	<u>209,055</u>
Net assets per share (RM)	<i>26</i>	<u>0.47</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 second quarter ended 31 October 2021.

Unaudited Condensed Consolidated Income Statement For The Quarter Ended 31 October 2021

	CURRENT QUARTER		CUMULATIVE QUARTER	
	3 months ended		6 months ended	
	31/10/2021	31/10/2020	31/10/2021	31/10/2020
<i>Note</i>	RM'000	RM'000	RM'000	RM'000
Revenue	46,806	43,200	88,737	87,776
Operating expenses	(41,977)	(37,769)	(79,226)	(75,978)
Other income including investment income	1,594	938	2,718	1,968
Profit from operations	6,423	6,369	12,229	13,766
Depreciation	(2,109)	(2,084)	(4,248)	(4,087)
Foreign exchange loss	(185)	(168)	(298)	(199)
Gain on disposal of property, plant and equipment	26	21	26	21
Interest expense	(547)	(692)	(1,130)	(1,511)
Interest income	37	174	98	257
Provision for write off of inventories	(10)	(46)	(22)	(98)
Reversal of provision for write off of receivables	7	2	8	2
Profit before taxation	3,642	3,576	6,663	8,151
Taxation	18 (570)	(389)	(929)	(964)
Profit for the period	<u>3,072</u>	<u>3,187</u>	<u>5,734</u>	<u>7,187</u>
Profit attributable to:				
Owner of the parent	2,940	3,166	5,577	7,007
Non-controlling interests	132	21	157	180
	<u>3,072</u>	<u>3,187</u>	<u>5,734</u>	<u>7,187</u>
Earnings per share:	25			
(a) Basic (sen)	<u>0.93</u>	<u>1.12</u>	<u>1.77</u>	<u>2.58</u>
(b) Fully Diluted (sen)	<u>0.93</u>	<u>1.09</u>	<u>1.77</u>	<u>2.52</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 second quarter ended 31 October 2021.

Unaudited Condensed Consolidated Income Statement For The Quarter Ended 31 October 2021
(cont'd)

	CURRENT QUARTER		CUMULATIVE QUARTER	
	3 months ended		6 months ended	
	31/10/2021	31/10/2020	31/10/2021	31/10/2020
<i>Note</i>	RM'000	RM'000	RM'000	RM'000
Profit for the period	3,072	3,187	5,734	7,187
Other comprehensive loss:				
Foreign currency translation differences for foreign operations	(913)	(319)	(1,685)	(126)
Total comprehensive income for the period	<u>2,159</u>	<u>2,868</u>	<u>4,049</u>	<u>7,061</u>
Total comprehensive income attributable to:				
Owner of the parent	2,027	2,847	3,892	6,881
Non-controlling interests	132	21	157	180
	<u>2,159</u>	<u>2,868</u>	<u>4,049</u>	<u>7,061</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 second quarter ended 31 October 2021.

Unaudited Condensed Consolidated Statement of Changes in Equity For The Quarter Ended 31 October 2021

	←————— 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	Revaluation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non- controlling Interests RM'000	Total Equity 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	-	-	-	-	-	-	5,577	5,577	157	5,734
Other comprehensive loss	-	-	(1,685)	-	-	-	-	(1,685)	-	(1,685)
Total comprehensive income for the period	-	-	(1,685)	-	-	-	5,577	3,892	157	4,049
Issuance of ordinary shares pursuant to Private Placement	3,350	-	-	-	-	-	-	3,350	-	3,350
At 31 October 2021	96,156	5,120	4,404	35	32	19,284	23,103	148,134	5,235	153,369

(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 second quarter ended 31 October 2021.

Unaudited Condensed Consolidated Statement of Changes in Equity For The Quarter Ended 31 October 2021 (cont'd)

	←————— Attributable to equity holders of the parent —————→								←————— Non-distributable —————→ Distributable		
	Foreign Employees'								Non-		
	Share	Other	Currency	Share	Legal	Warrant	Revaluation	Retained	Total	controlling	Total
	Capital	Capital	Translation	Option	Reserve	Reserve	Reserve	Earnings	RM'000	Interests	Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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	-	-	-	-	-	-	-	7,007	7,007	180	7,187
Other comprehensive loss	-	-	(126)	-	-	-	-	-	(126)	-	(126)
Total comprehensive income for the period	-	-	(126)	-	-	-	-	7,007	6,881	180	7,061
Issuance of ordinary shares pursuant to											
- ESOS	142	-	-	(50)	-	-	-	-	92	-	92
- warrants	13,350	-	-	-	-	(3,740)	-	-	9,610	-	9,610
At 31 October 2020	88,611	5,120	7,048	54	32	1,218	20,065	10,247	132,395	5,576	137,971

(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 second quarter ended 31 October 2021.

Unaudited Condensed Consolidated Statement of Cash Flows For The Period Ended 31 October 2021

	6 months ended	
	31/10/2021	31/10/2020
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	6,663	8,151
Adjustments for non-cash flows:		
Depreciation	4,248	4,087
Gain on disposal of property, plant and equipment	(26)	(21)
Interest expense	1,130	1,511
Interest income	(98)	(257)
Provision for write off of inventories	22	98
Reversal of provision for write off of receivables	(8)	(2)
Non-operating items	597	439
Operating profit before working capital changes	12,528	14,006
Decrease/(Increase) in receivables	(547)	(2,306)
(Increase)/Decrease in inventories	(7,212)	2,243
Increase/(Decrease) in payables	759	(1,144)
Cash generated from operations	5,528	12,799
Tax paid	(577)	(209)
Interest paid	(990)	(1,389)
Net cash generated from operating activities	3,961	11,201
Cash Flows From Investing Activities		
Interest income	98	257
Purchase of property, plant and equipment	(3,879)	(1,651)
Proceeds from disposal of property, plant and equipment	26	100
Net changes to fixed deposit	1,148	(623)
Net cash used in investing activities	(2,607)	(1,917)
Cash Flows From Financing Activities		
Proceeds from exercise of ESOS	-	92
Proceeds from ordinary shares issued through to private placement	3,350	-
Proceeds from exercise of warrants	-	9,610
Repayment of short term borrowings	(4,797)	(7,231)
Repayment of lease liabilities	(937)	(634)
Repayment of hire purchase and lease financing	(1,007)	(1,041)
Drawdown/(Repayment) of term loans	3,691	(524)
Net cash generated from financing activities	300	272

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The Board wishes to announce the following unaudited results of the Group for the second quarter ended 31 October 2021.

Unaudited Condensed Consolidated Statement of Cash Flows For The Period Ended 31 October 2021
(cont'd)

	6 months ended	
	31/10/2021	31/10/2020
	RM'000	RM'000
Net increase in cash and cash equivalents	1,654	9,556
Effect of exchange rate changes	(595)	(203)
Cash and cash equivalents at beginning of the period	22,604	5,527
Cash and cash equivalents at end of the period	23,663	14,880
Cash and cash equivalents comprise:		
Cash and bank balances	40,760	41,028
Bank overdraft - secured	(253)	(3,113)
	40,507	37,915
Less: Deposits with licensed banks for more than 3 months and pledged with licensed banks	(16,844)	(23,035)
	23,663	14,880

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 October 2021
	RM'000	RM'000	RM'000	RM'000
Short term borrowings	14,655	(4,797)	-	9,858
Hire purchase and lease financing	4,309	(1,007)	-	3,302
Term loans	10,479	3,691	-	14,170
	29,443	(2,113)	-	27,330

(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 second quarter ended 31 October 2021.

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

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
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

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 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 October 2021, a total of 10,000,000 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 October 2021 are as follows:

Share Capital

	No. of shares	RM'000
As at 31 July 2021	313,127,300	92,806
Ordinary shares issued pursuant to the Private Placement	10,000,000	3,350
As at 31 October 2021	323,127,300	96,156

ESOS Reserve

	No. of options	RM'000
As at 31 July 2021	259,000	35
Exercised	-	-
As at 31 October 2021	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-Oct-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	30,654	47,190	10,893	-	-	88,737
Inter-segment revenue	2,572	5,221	725	-	(8,518)	-
Total segment revenue	33,226	52,411	11,618	-	(8,518)	88,737
RESULTS						
Segment results	5,038	5,654	432	(137)	-	10,987
Unallocated expenses						(3,194)
Operating profit						7,793
Finance costs, net						(1,130)
Profit before taxation						6,663
Taxation						(929)
Profit after taxation						5,734
Segment assets	69,278	109,757	17,385	11,050	-	207,470
Unallocated assets						5,773
Total assets						213,243
Segment liabilities	23,370	32,237	3,195	496	-	59,298
Unallocated liabilities						576
Total liabilities						59,874

* 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-Oct-20	Healthcare	Electrical and Electronics	Other Industries*	Others ^	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE						
External revenue	30,637	49,692	7,447	-	-	87,776
Inter-segment revenue	2,045	6,717	81	-	(8,843)	-
Total segment revenue	32,682	56,409	7,528	-	(8,843)	87,776
RESULTS						
Segment results	4,999	6,999	379	(156)	-	12,221
Unallocated expenses						(2,559)
Operating profit						9,662
Finance costs, net						(1,511)
Profit before taxation						8,151
Taxation						(964)
Profit after taxation						7,187
Segment assets	59,162	108,643	22,059	10,334	-	200,198
Unallocated assets						7,561
Total assets						207,759
Segment liabilities	18,234	45,157	5,516	105	-	69,012
Unallocated liabilities						776
Total liabilities						69,788

* 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 23.

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 RM27.15 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 October 2021 are as follows:

RM'000	
Approved and contracted for:	
- Land and building	3,870
- Plant and Machinery	2,000
- Motor vehicle	179
Total Capital Commitments	6,049

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

A comparison of D'nonce Technology Bhd's performance for the second quarter ended 31 October 2021 ("Q2'22") with the corresponding period last financial year ("Q2'21") is as follows:

	Quarter 2			Year-To-Date		
	FY2022 RM'000	FY2021 RM'000	Variance %	FY2022 RM'000	FY2021 RM'000	Variance %
Revenue	46,806	43,200	8%	88,737	87,776	1%
Operating profit	6,423	6,369	1%	12,229	13,766	-11%
Profit before interest and tax	4,189	4,268	-2%	7,793	9,662	-19%
Profit before tax	3,642	3,576	2%	6,663	8,151	-18%
Profit after tax	3,072	3,187	-4%	5,734	7,187	-20%
Profit attributable to ordinary equity holders of the parent	2,940	3,166	-7%	5,577	7,007	-20%

Group

The Group achieved revenue of RM46.8 million for the current quarter as compared to RM43.2 million for the corresponding quarter last year, an increased of RM3.6 million or 8%. The revenue breakdown by segments are as below.

Revenue for the current quarter was contributed by the electrical and electronics customer segment of RM25.0 million (Q2'21: RM24.6 million), followed by the healthcare customer segment of RM15.8 million (Q2'21: RM15.0 million) and other segments contributing RM6.0 million (Q2'21: RM3.6 million).

The electrical and electronics customer segment contributed RM3.3 million (Q2'21: RM3.2 million) in segment results, mainly from the subsidiaries in Malaysia, while the healthcare customer segment contributed RM2.4 million (Q2'21: RM2.2 million) in segment results, mainly from a subsidiary in Thailand. Another RM0.2 million (Q2'21: RM0.1 million) in segment results was contributed by the other industries and RM30,000 segment loss (Q2'21: RM83,000 segment loss) from the others segment. Segment results for the current quarter are mainly consistent with the segment results for the corresponding quarter last year.

Based on the above, the Group posted profit attributable to ordinary equity holders of parent of RM2.9 million for the current quarter, a decrease of RM0.2 million or 7% as compared to RM3.2 million for the same quarter last year.

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15 Material Changes in Profit Before Taxation Against Preceding Quarter

	Q2'22 31 October 2021 RM'000	Q1'22 31 July 2021 RM'000	Variance %
Revenue	46,806	41,931	12%
Operating profit	6,423	5,806	11%
Profit before interest and tax	4,189	3,604	16%
Profit before tax	3,642	3,021	21%
Profit after tax	3,072	2,662	15%
Profit attributable to ordinary equity holders of the parent	2,940	2,637	11%

Group

The Group achieved RM46.8 million in revenue for the current quarter, an increase of RM4.9 million or 12% as compared to RM41.9 million in the preceding quarter. The profit attributable to the ordinary equity holders of the parent was RM2.9 million, an increase of RM0.3 million or 11% as compared to a profit attributable to ordinary equity holders of the parent of RM2.6 million 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 as compared to RM14.8 million in the preceding quarter. The segment generated RM2.4 million in segment results as compared to RM2.7 million in the last quarter. While revenue increased by RM1.0 million or 6.7% 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 RM25.0 million for the current quarter as compared to RM22.2 million in the preceding quarter. The segment generated RM3.3 million in segment results as compared to RM2.3 million in the last quarter. The increase in revenue and segment results are mainly due to change in the product mix in the current quarter.

Other Industries

The revenue for this segment was RM6.0 million for the current quarter as compared to RM4.9 million in the preceding quarter. The segment generated RM0.2 million in segment results for the current quarter and 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.

16 Prospects

The prolonged pandemic and continued economic uncertainty continues to disrupt business globally. While the Group has experienced some operational disruptions during this period, there has been opportunities in the healthcare and electrical and electronics industries in which the Group has benefitted from. As the outbreak continues to evolve, it is challenging to predict the full extent and duration of its impact on the global economy. Stringent safety and cost cutting measures have been taken to minimise the Group's impact arising from this pandemic.

Despite the prevailing challenges, the Group remains cautiously optimistic on the long term business prospects and will continue to actively pursue various opportunities in the industries that it operates in.

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 October 2021 RM'000	31 October 2020 RM'000	31 October 2021 RM'000	31 October 2020 RM'000
Current tax:				
Current period	(554)	(390)	(919)	(963)
Deferred tax:				
Current period	(1)	1	16	13
Prior period	-	-	(11)	(14)
Tax expenses	(570)	(389)	(929)	(964)

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	1,000	13,483	Within 12 months
Working capital	3,879	3,879	-	Within 12 months
Estimated expenses for the Private Placement	193	193	-	Immediate
Total	18,555	5,072	13,483	

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 October 2021 were as follows:

	As At 31 October 2021	
	Foreign Denomination '000	RM'000
Secured:		
Short Term (Denominated in THB)		
Trust receipts	47,443	5,926
Term loans	18,324	2,289
Hire purchases and lease creditors	3,201	400
	68,968	8,615
Short Term (Denominated in RM)		
Bank overdrafts	-	253
Bankers' acceptance	-	2,932
Revolving credits	-	1,000
Term loans	-	785
Hire purchases and lease creditors	-	1,179
	-	6,149
Total Short Term	68,968	14,764
Long Term (Denominated in THB)		
Term loans	33,379	4,169
Hire purchases and lease creditors	5,566	695
	38,945	4,864
Long Term (Denominated in RM)		
Term loans	-	6,927
Hire purchases and lease creditors	-	1,028
	-	7,955
Total Long Term	38,945	12,819
Total	107,913	27,583

Total borrowings as at 31 October 2021

		Exchange Rate	RM'000
(a) in Thai Baht	THB 107,913,000	0.1249	13,479
(b) in Ringgit Malaysia	RM 14,104,000	-	14,104
			<u>27,583</u>

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20 Group Borrowings and Debt Securities (cont'd)

The Group Borrowings as at 31 October 2021 were as follows (cont'd):

	As At 31 October 2020	
	Foreign Denomination '000	RM'000
Secured:		
Short Term (Denominated in THB)		
Bank overdrafts	23,906	3,187
Trust receipts	14,730	1,964
Factoring	161	21
Promissory note	26,917	3,588
Term loans	2,964	395
Hire purchases and lease creditors	4,305	574
	72,983	9,729
Short Term (Denominated in RM)		
Bank overdrafts	-	(74)
Bankers' acceptance	-	8,875
Revolving credits	-	5,850
Term loans	-	750
Hire purchases and lease creditors	-	1,329
	-	16,730
Total Short Term	72,983	26,459
Long Term (Denominated in THB)		
Term loans	4,201	560
Hire purchases and lease creditors	11,007	1,467
	15,208	2,027
Long Term (Denominated in RM)		
Term loans	-	7,726
Hire purchases and lease creditors	-	2,027
	-	9,753
Total Long Term	15,208	11,780
Total	88,191	38,239

Total borrowings as at 31 October 2020

		Exchange Rate	RM'000
(a) in Thai Baht	THB 88,191,000	0.1333	11,756
(b) in Ringgit Malaysia	RM 26,483,000	-	26,483
			<u>38,239</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 October 2021	31 October 2020
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 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 matter is now in the process of settlement of papers for proceeding to trial in the Shah Alam High Court, and the next Case Management is scheduled on 26 October 2021.

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.

24 Dividend

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

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25 Earnings Per Share

Basic	Current Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	31 October 2021	31 October 2020	31 October 2021	31 October 2020
Profit attributable to ordinary equity holders of the parent (RM'000)	2,940	3,166	5,577	7,007
Weighted average number of ordinary shares in issue ('000)	316,461	281,961	314,794	272,110
Basic earnings per share (sen)	0.93	1.12	1.77	2.58

Diluted	Current Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	31 October 2021	31 October 2020	31 October 2021	31 October 2020
Profit attributable to ordinary equity holders of the parent (RM'000)	2,940	3,166	5,577	7,007
Weighted average number of ordinary shares in issue ('000)	316,584	289,359	314,919	277,552
Diluted earnings per share (sen)	0.93	1.09	1.77	2.52

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26 Net Assets Per Share

	As At 31 October 2021 RM'000	As At 30 April 2021 RM'000
Total assets	213,243	209,055
Less: Total liabilities	(59,874)	(63,085)
Net Assets	153,369	145,970
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Number of ordinary shares in issue ('000) (Note 7)	323,127	313,127
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Net Assets Per Share (RM)	0.47	0.47

27 Authorisation For Issue

The Board of Directors authorised the issue of this unaudited interim financial statements on 22 December 2021.