



D'NONCE GROUP OF COMPANIES

INTERIM FINANCIAL RESULTS

FIRST QUARTER ENDED 30 JUNE 2022

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

The Board wishes to announce the following unaudited results of the Group for the first quarter ended 30 June 2022.

Unaudited Condensed Consolidated Statement of Financial Position As At 30 June 2022

	<i>Note</i>	As At 30/06/2022 RM'000	As At 31/03/2022 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		93,469	94,671
Investment properties		12,830	12,912
Intangible assets		289	289
Trade receivable		12	48
Other receivable		1	4
Right Of Use Asset		4,464	4,999
		<u>111,065</u>	<u>112,923</u>
Currents assets			
Inventory property		349	349
Inventories		34,266	29,763
Trade receivables		30,738	29,112
Other receivables, deposits and prepayments		20,504	21,504
Contract assets		-	720
Investment		17,261	13,398
Tax recoverable		2,441	1,768
Cash and bank balances		33,975	40,956
		<u>139,534</u>	<u>137,570</u>
TOTAL ASSETS		<u>250,599</u>	<u>250,493</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	7	111,159	111,159
Other capital reserve		5,120	5,120
Foreign currency translation reserve		4,473	4,851
Employees share option scheme reserve	7	31	31
Legal reserve		32	32
Revaluation reserve		37,325	37,325
Retained earnings		27,219	26,081
		<u>185,359</u>	<u>184,599</u>
Non-controlling interests		<u>5,187</u>	<u>5,152</u>
Total equity		<u>190,546</u>	<u>189,751</u>

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The Board wishes to announce the following unaudited results of the Group for the first quarter ended 30 June 2022.

Unaudited Condensed Consolidated Statement of Financial Position As At 30 June 2022 (cont'd)

		As At 30/06/2022 RM'000	As At 31/03/2022 RM'000
	<i>Note</i>		
Non-current liabilities			
Retirement benefit obligations		2,536	2,471
Borrowings	20	7,875	8,868
Lease liabilities		2,638	3,114
Deferred tax liabilities		10,528	10,520
		<u>23,577</u>	<u>24,973</u>
Current liabilities			
Borrowings	20	13,664	14,485
Lease liabilities		2,091	2,142
Trade payables		13,396	12,900
Other payables		7,325	6,242
		<u>36,476</u>	<u>35,769</u>
Total liabilities		<u>60,053</u>	<u>60,742</u>
TOTAL EQUITY AND LIABILITIES		<u>250,599</u>	<u>250,493</u>
Net assets per share (RM)	26	<u>0.51</u>	<u>0.50</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 2022)

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 first quarter ended 30 June 2022.

Unaudited Condensed Consolidated Income Statement For The Quarter Ended 30 June 2022

	<i>Note</i>	CURRENT QUARTER		CUMULATIVE QUARTER	
		3 months ended		3 months ended	
		30/06/2022	30/06/2021	30/06/2022	30/06/2021
		RM'000	RM'000	RM'000	RM'000
Revenue		44,653	-	44,653	-
Operating expenses		(41,837)	-	(41,837)	-
Other income including investment income		1,495	-	1,495	-
Profit from operations		4,311	-	4,311	-
Depreciation		(2,309)	-	(2,309)	-
Foreign exchange gain		89	-	89	-
Interest expense		(382)	-	(382)	-
Interest income		37	-	37	-
Property, plant and equipment written off		(1)	-	(1)	-
Provision for write off of inventories		(203)	-	(203)	-
Provision for write off of receivables		(5)	-	(5)	-
Profit before taxation		1,537	-	1,537	-
Taxation	18	(364)	-	(364)	-
Profit for the period		1,173	-	1,173	-
Profit attributable to:					
Owner of the parent		1,138	-	1,138	-
Non-controlling interests		35	-	35	-
		1,173	-	1,173	-
Earnings per share:	25				
(a) Basic (sen)		0.30	N/A	0.30	N/A
(b) Fully Diluted (sen)		0.30	N/A	0.30	N/A

Notes:

- i) The previous financial year end of the Group has been changed from 30 April to 31 March. As such, there will be no comparative financial information available for the financial period ended 30 June 2022.
- ii) The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022.
- iii) 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 first quarter ended 30 June 2022.

Unaudited Condensed Consolidated Income Statement For The Quarter Ended 30 June 2022
(cont'd)

	CURRENT QUARTER		CUMULATIVE QUARTER	
	3 months ended		3 months ended	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
<i>Note</i>	RM'000	RM'000	RM'000	RM'000
Profit for the period	1,173	-	1,173	-
Other comprehensive income/(loss):				
Foreign currency translation differences for foreign operations	(378)	-	(378)	-
Total comprehensive income for the period	<u>795</u>	<u>-</u>	<u>795</u>	<u>-</u>
Total comprehensive income attributable to:				
Owner of the parent	760	-	760	-
Non-controlling interests	35	-	35	-
	<u>795</u>	<u>-</u>	<u>795</u>	<u>-</u>

Notes:

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- iii) 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 first quarter ended 30 June 2022.

Unaudited Condensed Consolidated Statement of Changes in Equity For The Quarter Ended 30 June 2022

	←————— Attributable to equity holders of the parent —————→							Total	Non-controlling	Total
	←————— Non-distributable —————→				Distributable					
	Share Capital	Other Capital Reserve	Currency Translation Reserve	Share Option Scheme	Legal Reserve	Revaluation Reserve	Retained Earnings	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
Profit for the period	-	-	-	-	-	-	1,138	1,138	35	1,173
Other comprehensive loss	-	-	(378)	-	-	-	-	(378)	-	(378)
Total comprehensive income for the period	-	-	(378)	-	-	-	1,138	760	35	795
At 30 June 2022	111,159	5,120	4,473	31	32	37,325	27,219	185,359	5,187	190,546

Notes:

- i) The previous financial year end of the Group has been changed from 30 April to 31 March. As such, there will be no comparative financial information available for the financial period ended 30 June 2022.
- ii) 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 2022.
- iii) The accompanying notes are an integral part of this statement.

The Board wishes to announce the following unaudited results of the Group for the first quarter ended 30 June 2022.

Unaudited Condensed Consolidated Statement of Changes in Equity For The Quarter Ended 30 June 2022 (cont'd)

	← Attributable to equity holders of the parent →						Distributable	Non-controlling	Total	
	Non-distributable			Foreign Employees'						Total
	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	RM'000	RM'000	RM'000
At 1 April 2021	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Issuance of ordinary shares pursuant to										
- ESOS	-	-	-	-	-	-	-	-	-	-
- warrants	-	-	-	-	-	-	-	-	-	-
At 30 June 2021	-	-	-	-	-	-	-	-	-	-

Notes:

- i) The previous financial year end of the Group has been changed from 30 April to 31 March. As such, there will be no comparative financial information available for the financial period ended 30 June 2022.
- ii) 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 2022.
- iii) 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 first quarter ended 30 June 2022.

Unaudited Condensed Consolidated Statement of Cash Flows For The Period Ended 30 June 2022

	3 months ended	
	30/06/2022	30/06/2021
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	1,537	-
Adjustments for non-cash flows:		
Depreciation	2,309	-
Interest expense	382	-
Interest income	(37)	-
Provision for write off of inventories	203	-
Property, plant and equipment written off	1	-
Provision for write off of receivables	5	-
Non-operating items	236	-
Operating profit before working capital changes	<u>4,636</u>	-
Increase in receivables	(567)	-
Increase in inventories	(4,725)	-
Increase in payables	1,536	-
Cash generated from operations	<u>880</u>	-
Tax paid	(417)	-
Interest paid	(305)	-
Net cash generated from operating activities	<u>158</u>	-
Cash Flows From Investing Activities		
Interest income	37	-
Purchase of property, plant and equipment	(761)	-
Net changes to fixed deposit	4,893	-
Net changes to investment	(3,863)	-
Net cash generated from investing activities	<u>306</u>	-
Cash Flows From Financing Activities		
Net changes in short term borrowings	(659)	-
Repayment of lease liabilities	(603)	-
Repayment of hire purchase and lease financing	(450)	-
Repayment of term loans	(705)	-
Net cash used in financing activities	<u>(2,417)</u>	-

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The Board wishes to announce the following unaudited results of the Group for the first quarter ended 30 June 2022.

Unaudited Condensed Consolidated Statement of Cash Flows For The Period Ended 30 June 2022
(cont'd)

	3 months ended	
	30/06/2022	30/06/2021
	RM'000	RM'000
Net decrease in cash and cash equivalents	(1,953)	-
Effect of exchange rate changes	(135)	-
Cash and cash equivalents at beginning of the period	22,964	-
Cash and cash equivalents at end of the period	<u>20,876</u>	<u>-</u>
Cash and cash equivalents comprise:		
Cash and bank balances	33,975	-
Less: Deposits with licensed banks for more than 3 months and pledged with licensed banks	(13,099)	-
	<u>20,876</u>	<u>-</u>

Reconciliation of liabilities arising from financing activities:

	Carrying amount as at 1 April 2022	Cash flows	Non-cash changes Others	Carrying amount as at 30 June 2022
	RM'000	RM'000	RM'000	RM'000
Short term borrowings	10,278	(659)	-	9,619
Hire purchase and lease financing	2,475	(450)	-	2,025
Term loans	10,600	(705)	-	9,895
	<u>23,353</u>	<u>(1,814)</u>	<u>-</u>	<u>21,539</u>

Notes:

- i) The previous financial year end of the Group has been changed from 30 April to 31 March. As such, there will be no comparative financial information available for the financial period ended 30 June 2022.
- ii) The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022.
- iii) The accompanying notes are an integral part of this statement.

Notes to the condensed consolidated interim financial statements of the Group for the first quarter ended 30 June 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 31 March 2022. 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 2022.

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 2022 except for the adoption of new MFRSs and Interpretations and Amendments to certain MFRSs which are effective for the Group from 1 April 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

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 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 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

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 2022 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 30 June 2022, 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 30 June 2022 are as follows:

Share Capital

	No. of shares	RM'000
As at 31 March 2022	375,752,700	111,159
Ordinary shares issued pursuant to the ESOS	-	-
As at 30 June 2022	375,752,700	111,159

ESOS Reserve

	No. of options	RM'000
As at 31 March 2022	228,500	31
Exercised	-	-
As at 30 June 2022	228,500	31

There were no issuances or repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares or resale of treasury shares for the current financial period.

8 Dividend Paid

No dividend was paid during the financial year to date.

9 Segmental Reporting

The Group's segmental analysis is as follows:

By customer segments

Period ended 30-Jun-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	16,392	23,349	4,912	-	-	44,653
Inter-segment revenue	1,184	2,111	44	-	(3,339)	-
Total segment revenue	17,576	25,460	4,956	-	(3,339)	44,653
RESULTS						
Segment results	1,374	2,151	165	(203)	-	3,487
Unallocated expenses						(1,568)
Operating profit						1,919
Finance costs, net						(382)
Profit before taxation						1,537
Taxation						(364)
Profit after taxation						1,173
Segment assets	91,888	126,840	14,562	10,868	-	244,158
Unallocated assets						6,441
Total assets						250,599
Segment liabilities	22,095	33,619	3,365	396	-	59,475
Unallocated liabilities						578
Total liabilities						60,053

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

^ Other is pertaining to dormant companies.

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9 Segmental Reporting (cont'd)

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

By customer segments

Period ended 30-Jun-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	-	-	-	-	-	-
Inter-segment revenue	-	-	-	-	-	-
Total segment revenue	-	-	-	-	-	-
RESULTS						
Segment results	-	-	-	-	-	-
Unallocated expenses						-
Operating profit						-
Finance costs, net						-
Profit before taxation						-
Taxation						-
Profit after taxation						-
Segment assets	-	-	-	-	-	-
Unallocated assets						-
Total assets						-
Segment liabilities	-	-	-	-	-	-
Unallocated liabilities						-
Total liabilities						-

* 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

On 5 August 2022, the Board of Directors of the Company announced that its subsidiary company, Attractive Venture (JB) Sdn. Bhd. ("AVJB") entered into a Sale and Purchase Agreement with ACL Group Sdn Bhd ("AGSB") to purchase all those two (2) pieces of vacant industrial land for a total purchase price of RM12,196,931.88 only subject to the terms and conditions as stipulated in the Sale and Purchase Agreement.

For further details, please refer to Bursa website for the announcement made by the Company.

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 RM21.24 million (31 March 2022: RM23.02 million) for the banking facilities granted to certain subsidiary companies.

13 Capital Commitments

The amount of commitments not provided for in the interim financial statements as at 30 June 2022 are as follows:

	RM'000
Approved and contracted for:	
- Land and building	14,847
- Plant and Machinery	290
Total Capital Commitments	15,137

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

The performance analysis of D'nonce Technology Bhd for the financial year 30 June 2022 ("Q1'23") is as follows:

	Quarter 1		Year-To-Date	
	FY2023 RM'000	FY2022 RM'000	FY2023 RM'000	FY2022 RM'000
Revenue	44,653	-	44,653	-
Operating profit	4,311	-	4,311	-
Profit before interest and tax	1,919	-	1,919	-
Profit before tax	1,537	-	1,537	-
Profit after tax	1,173	-	1,173	-
Profit attributable to ordinary equity holders of the parent	1,138	-	1,138	-

Group

The Group achieved revenue of RM44.7 million for the current quarter and year to date under review respectively.

Revenue for the current quarter was contributed by the electrical and electronics customer segment of RM23.4 million, followed by the healthcare customer segment of RM16.4 million and other segments contributing RM4.9 million.

The electrical and electronics customer segment contributed RM2.2 million in segment results, mainly from the subsidiaries in Malaysia, while the healthcare customer segment contributed RM1.4 million in segment results, mainly from a subsidiary in Thailand. Another RM0.2 million in segment results was contributed by the other industries and RM0.2 million segment loss from the others segment.

Based on the above and after accounting for unallocated expenses of RM1.6 million, the Group posted profit attributable to ordinary equity holders of parent of RM1.1 million for the current quarter.

The previous financial year end of the Group has been changed from 30 April to 31 March. As such, there will be no comparative financial information available for the financial period ended 30 June 2022.

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15 Material Changes in Profit Before Taxation Against Preceding Quarter

	Q1'23 (3 Months) 30 June 2022 RM'000	(Audited) Q4'22 (2 Months) 31 March 2022 RM'000	Variance %
Revenue	44,653	30,660	46%
Operating profit	4,311	2,475	74%
Profit before interest and tax	1,919	132	1354%
Profit/(Loss) before tax	1,537	(145)	1160%
Profit after tax	1,173	296	296%
Profit attributable to ordinary equity holders of the parent	1,138	385	196%

Group

The Group achieved RM44.7 million in revenue for the current quarter. The profit attributable to the ordinary equity holders of the parent was RM1.1 million, an increase of RM0.75 million or 196% as compared to a profit attributable to ordinary equity holders of the parent of RM0.39 million in the previous quarter which consist of 2 months.

The performance by business segments are further analysed as below:

Healthcare

The revenue for this segment was RM16.4 million for the current quarter with the segment generating RM1.4 million results or 8.5% segment margin. For the previous quarter, the revenue for this segment was RM10.3 million with the segment generating RM0.9 million or 8.7% segment margin which is consistent with the current quarter margin.

Electrical and Electronics

The revenue for this segment was RM23.4 million for the current quarter. The segment generated RM2.2 million in segment results or 9.4% segment margin. For the previous quarter, the revenue for this segment was RM16.2 million with the segment generating RM1.0 million or 6.2% segment margin. The increase in segment margin is mainly due to additional costs recognised which affected the margin in the previous quarter.

Other Industries

The revenue for this segment was RM4.9 million for the current quarter. The segment generated RM0.2 million in segment results or 4.1% segment margin. For the previous quarter, the revenue for this segment was RM4.2 million with the segment generating RM0.2 million loss. The increase in segment margin is mainly due to additional costs recognised which affected the margin in the previous quarter.

Others

The segment generated RM0.2 million loss in segment results.

16 Prospects

Global economic uncertainties is expected to continue throughout 2022 amid the COVID-19 pandemic, global supply chain disruptions resulting in escalating cost challenges and geo-political uncertainties in Europe. It is challenging to predict the full extent and duration of these impacts on the global economy.

Despite the prevailing challenges, the Group remains committed to executing its core strategies that will enable the Group to respond to challenges and opportunities. When necessary, the Group will access and revamp its strategies, initiatives or mindset to deliver long term value to its valued stakeholders.

17 Variance of Actual Profit from Forecast Profit

The Group did not issue any profit forecast or profit guarantee for the year.

18 Taxation

	Current Quarter		Cumulative Quarter	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Current tax:				
Current period	(339)	-	(339)	-
Prior period	(17)	-	(17)	-
Deferred tax:				
Current period	18	-	18	-
Prior period	(26)	-	(26)	-
Tax expenses	(364)	-	(364)	-

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

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”).

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 30 June 2022 were as follows:

	As At 30 June 2022	
	Foreign Denomination '000	RM'000
Secured:		
Short Term (Denominated in THB)		
Trust receipts	12,982	1,619
Term loans	17,585	2,193
Hire purchases and lease creditors	3,801	474
	34,368	4,286
Short Term (Denominated in RM)		
Revolving credits	-	8,000
Term loans	-	534
Hire purchases and lease creditors	-	844
	-	9,378
Total Short Term	34,368	13,664
Long Term (Denominated in THB)		
Term loans	23,239	2,898
Hire purchases and lease creditors	616	77
	23,855	2,975
Long Term (Denominated in RM)		
Term loans	-	4,270
Hire purchases and lease creditors	-	630
	-	4,900
Total Long Term	23,855	7,875
Total	58,223	21,539

Total borrowings as at 30 June 2022

		Exchange Rate	RM'000
(a) in Thai Baht	THB 58,223,000	0.1247	7,261
(b) in Ringgit Malaysia	RM 14,278,000	-	14,278
			<u>21,539</u>

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20 Group Borrowings and Debt Securities (cont'd)

The Group Borrowings as at 30 June 2022 were as follows (cont'd):

	As At 30 June 2021	
	Foreign Denomination '000	RM'000
Secured:		
Short Term (Denominated in THB)		
Trust receipts	-	-
Term loans	-	-
Hire purchases and lease creditors	-	-
	-	-
Short Term (Denominated in RM)		
Revolving credits	-	-
Term loans	-	-
Hire purchases and lease creditors	-	-
	-	-
Total Short Term	-	-
Long Term (Denominated in THB)		
Term loans	-	-
Hire purchases and lease creditors	-	-
	-	-
Long Term (Denominated in RM)		
Term loans	-	-
Hire purchases and lease creditors	-	-
	-	-
Total Long Term	-	-
Total	-	-

Total borrowings as at 30 June 2021

		Exchange Rate	RM'000
(a) in Thai Baht	THB Nil	-	-
(b) in Ringgit Malaysia	RM Nil	-	-
			<hr/>
			<hr/>

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:

	30 June 2022	31 March 2022
Fixed rates	1.90% - 13.00%	1.90% - 13.00%
Floating rates	3.45% - 10.00%	3.45% - 10.00%

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

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 Company wishes to inform that the matter has now proceeded in the Shah Alam High Court, which has heard the application by AVKL to strike out SJRMS’s claims under the Suit. The Court has rendered its decision in favour of AVKL; the claims of SJRMS under Suit have therefore been struck off, with cost of RM5,000 being awarded to AVKL. Therefore, SJRMS does not have any valid claim against AVKL.

However and conversely, AVKL’s counterclaim by AVKL against SJRMS under this Suit still subsists. The trial of the claims made by AVKL under the counterclaim is fixed from 17 to 20 October 2022.

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

	Current Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
Basic	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Profit attributable to ordinary equity holders of the parent (RM'000)	1,138	N/A	1,138	N/A
Weighted average number of ordinary shares in issue ('000)	375,753	N/A	375,753	N/A
Basic earnings per share (sen)	0.30	N/A	0.30	N/A

	Current Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
Diluted	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Profit attributable to ordinary equity holders of the parent (RM'000)	1,138	N/A	1,138	N/A
Weighted average number of ordinary shares in issue ('000)	375,688	N/A	375,688	N/A
Diluted earnings per share (sen)	0.30	N/A	0.30	N/A

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26 Net Assets Per Share

	As At 30 June 2022 RM'000	As At 31 March 2022 RM'000
Total assets	250,599	250,493
Less: Total liabilities	(60,053)	(60,742)
Net Assets	190,546	189,751
Number of ordinary shares in issue ('000) (Note 7)		
	375,753	375,753
Net Assets Per Share (RM)	0.51	0.50

27 Authorisation For Issue

The Board of Directors authorised the issue of this unaudited interim financial statements on 29 August 2022.