

PRESS STATEMENT / SIARAN AKHBAR

(FOR IMMEDIATE RELEASE)

**D'NONCE: STRENGTHENING FOUNDATION FOR
SUSTAINABLE GROWTH**

Georgetown, 22 December 2021 – Diversified engineering solutions provider, D'nonce Technology Berhad (“D'nonce” or the “Group”) (“天龙科技”), announced its second quarter (“2QFY22”) and first half financial results today for the period ended 31 October 2021 (“1HFY22”).

For the quarter under review, the Group recorded a revenue of RM46.8 million as compared to RM43.2 million a year ago. This was an increase of 8.3% year-on-year (“YoY”), which was attributed to growth across all key segments. In terms of segmental revenue breakdown, electrical and electronics (“E&E”) sector continued to be the primary contributor, accounting for RM25.0 million or 53.4% of 2QFY22 turnover, followed by healthcare at RM15.8 million or 33.8% and other industries at RM6.0 million or 12.8%.

The two key customer groups that contributed the bulk of D'nonce's turnover are multinational corporations in the E&E sector as well as major glove manufacturers that are classified under the healthcare sector.

D'nonce's profit after tax stood at RM3.1 million in 2QFY22 versus RM3.2 million in the previous year corresponding quarter. The marginal decline in profit chiefly stemmed from cost escalation issue in the healthcare segment and changes in the product mix in the E&E segment.

Chief Executive Officer of D'nonce, Datuk Tho Yow Yin (拿督陶有賢) said,

“We are delighted to have delivered a healthy set of financial results notwithstanding the operating challenges faced, which caused some disruptions for the Group and our customers. In fact, we managed to capitalize on some opportunities in the E&E and healthcare sectors. We have penetrated into several new countries as part of our plan to expand our customer base. Our intention is to enhance our market presence in Asia, and we have stepped up our marketing efforts in those countries.”

“At the same time, we continue to focus on our cost optimization efforts, which include exercising prudence in manpower planning and spending to minimize the impact arising from the pandemic. Besides, we are also automating certain processes to improve efficiency and reduce labor dependency.”

“The Group has been operating with the full workforce and looking ahead, we expect business activities to continue picking up pace while orders from our customers expected to remain healthy. Following the successful turnaround in the previous financial year, we now aim to strengthen the Group’s foundation in order to deliver sustainable growth. On balance, the outlook for D’nonce remains positive underpinned by the strategic plans that we are embarking on,” Datuk Tho further added.

The Group’s 1HFY22 revenue grew 1.0% YoY to RM88.7 million from RM87.8 million a year ago. Profit after tax stood at RM5.7 million for the period under review as compared to RM7.2 million 1HFY21. The decrease was mainly due to aforementioned factors along with the operational disruptions experienced in 1QFY22 owing to the pandemic.

On balance sheet strength, D’nonce remained in a net cash position at end-October 2021 with gross cash holdings of RM40.8 million and backed by net assets of 47 sen per share.

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About D'nonce Technology Berhad

D'nonce is a diversified engineering solutions provider with key customer base from healthcare, electrical and electronics (“E&E”), and manufacturing sectors. The Group was established in 1989 and headquartered in Penang, Malaysia with manufacturing facilities in Kelantan, Kuala Lumpur, and Johor. D'nonce was listed on the Main Market of Bursa Malaysia in 2001 and expanded its operations to Thailand in the subsequent year. The Group manufactures automation/electronic component trays, tapes and reels for printed circuit board (“PCB”) components as well as paper and plastic product packaging.

Released on behalf of D'nonce Technology Berhad by Capital Front Investor Relations.

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