

D'NONCE TECHNOLOGY BERHAD REPORTS Q3FY24 RESULTS AND ENSUING EXPANSION PLANS

PENANG, 26 February 2024 – D'nonce Technology Berhad (“D'nonce” or the “Group”), a total packaging solutions provider, announced its financial results for the third quarter ended 31 December 2023 (“Q3FY24”) recording RM43.47 million in revenue, an increase of RM3.53 million or 8.84% as compared to RM39.94 million for the corresponding period last year. The increase was mainly due to the strong performance witnessed in its operations supporting the healthcare industry, where demand for natural rubber gloves packaging had surged as well as an increase in revenue from the labelling segment. Profit/ loss attributable to owners recorded was lower during the period under review, registering a loss of RM2.97 million compared to the previous corresponding period's profit of RM0.75 million. The loss was mainly attributable to higher fair value adjustment on investments and depreciation expenses.

The management of the Company commented “We remain cautiously optimistic on our results as we saw growth in demand for our products in certain industries. In terms of our future growth prospects, we are still in the midst of our transformation programme which begun with the initial acquisition of our labelling business in Thailand in December 2022 to enhance the Group's total packaging solution capabilities and most recently, acquired a factory in Kuala Lumpur and a piece of land in Johor amounting to a total gross consideration of approximately RM30 million for the expansion of our packaging business. With the said acquisitions, the Group's owned land area has increased from approximately 35 acres to approximately 42 acres. The newly acquired factory is expected to increase the Company's packaging capacity by 20% whereas plans for development of the land in Johor will include the construction of a new factory which in turn expected to increase capacity by a further 65%.

With the increase in new capacity, coupled with investments in other new plant and machineries of approximately RM5 million for year to date FY24, the Group has been able to develop new capabilities and expand its focus to other segments, including the fast moving consumer goods or FMCG segment, as well as make further forays to its existing export markets amongst others, China, Mexico, Taiwan, Philippines and Singapore.

In terms of the Group's sales and distribution activities, our Group has distribution rights for Petronas lubricants in Kelantan and Pahang and due to our track record in the above states, we were also awarded the distributorship for the Penang State. Our Group is also the distributor for Sinopec lubricants, an international renowned brand for Penang, Kedah and Perlis” management added.

In Thailand, the Group plans to construct a new factory building on its fully own existing vacant industrial land in Ayutthaya, to better manage and also expand the operations for both the cleanroom services and contract manufacturing of electronic components as well as its the labelling segment.

Premised on the above expansion plans, the Group is cautiously optimistic of its long term business prospects and is actively pursuing various business strategies to deliver value to the Group and shareholders.

ABOUT D'NONCE TECHNOLOGY BERHAD

D'nonce Technology Berhad (“D'nonce” or the “Company”) is a total packaging solutions provider with key customers from healthcare, electrical and electronics (“E&E”) sectors and other industries. Established in 1989 and headquartered in Penang, with its trading and manufacturing subsidiaries in Penang, Selangor, Johor and Kelantan. D'nonce was listed on the Main Board of Bursa Malaysia Securities Berhad (“Bursa Securities”) in 2001. During the following year, it expanded its operations to Thailand operating from its trading and manufacturing subsidiaries located in Sadao, Ayutthaya and Chonburi.

To learn more, visit www.dnonce.com

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