

**DOMINANT ENTERPRISE BERHAD**  
(Company No.221206-D)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE FIRST QUARTER ENDED 30 JUNE 2018**

	<u>FYE2019</u>	<u>FYE2018</u>	<u>FYE2019</u>	<u>FYE2018</u>
	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	Current Quarter Ended 30.06.2018	Preceding Year Corresponding Quarter Ended 30.06.2017	Current Year To Date Ended 30.06.2018	Preceding Year Ended 30.06.2017
	RM'000	RM'000	RM'000	RM'000
Revenue	172,988	149,705	172,988	149,705
Profit from Operations	12,181	9,357	12,181	9,357
Interest Income	353	290	353	290
Interest Expense	(3,072)	(2,151)	(3,072)	(2,151)
Depreciation and Amortisation	(785)	(736)	(785)	(736)
Profit Before Tax	8,677	6,760	8,677	6,760
Income Tax Expense	(1,921)	(1,628)	(1,921)	(1,628)
Profit After Tax	6,756	5,132	6,756	5,132
<b>Other Comprehensive Income</b>				
Exchange differences on translating foreign operations	162	(633)	162	(633)
Fair value changes on available-for-sale financial assets	33	21	33	21
<b>Total Comprehensive Income</b>	<u>6,951</u>	<u>4,520</u>	<u>6,951</u>	<u>4,520</u>
<b>Profit attributable to :</b>				
Equity holders of the Company	6,756	5,017	6,756	5,017
Non-Controlling Interest	-	115	-	115
	<u>6,756</u>	<u>5,132</u>	<u>6,756</u>	<u>5,132</u>
<b>Total comprehensive income attributable to :</b>				
Equity holders of the Company	6,951	4,406	6,951	4,406
Non-Controlling Interest	-	114	-	114
	<u>6,951</u>	<u>4,520</u>	<u>6,951</u>	<u>4,520</u>
Earning Per Share				
- Basic (sen)	4.09	3.04	4.09	3.04
- Diluted (sen)	4.09	3.04	4.09	3.04

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statement for the financial year ended 31st March 2018 and the accompanying explanatory notes to the interim financial reports.

**DOMINANT ENTERPRISE BERHAD**  
**(Company No.221206-D)**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	(Unaudited) As At 30 June 2018 RM'000	(Audited) As At 31 March 2018 RM'000
<b>ASSETS</b>		
<b><u>Non-Current Assets</u></b>		
Property, plant and equipment	104,244	104,335
Investment properties	14,754	14,754
Land held for property development	13,447	13,447
Prepaid lease payments for land	4,823	4,823
Goodwill	837	837
	<u>138,105</u>	<u>138,196</u>
<b><u>Current Assets</u></b>		
Inventories	142,618	128,612
Trade receivables	176,459	177,137
Other receivables and prepaid expenses	2,753	6,357
Current tax assets	212	345
Short term investments	44,092	43,711
Cash and bank balances	6,926	7,801
	<u>373,060</u>	<u>363,963</u>
<b>TOTAL ASSETS</b>	<b>511,165</b>	<b>502,159</b>
<b>EQUITY AND LIABILITIES</b>		
<b><u>Equity Attributable To Owners Of The Company</u></b>		
Issued capital	83,097	83,097
Other reserves	33,701	33,506
Retained Earnings	150,300	143,544
<b>Total Equity</b>	<u>267,098</u>	<u>260,147</u>
<b><u>Non-Current Liabilities</u></b>		
Borrowings	4,430	5,009
Deferred tax liabilities	5,707	5,707
	<u>10,137</u>	<u>10,716</u>
<b><u>Current Liabilities</u></b>		
Trade payables	22,052	27,026
Other payables and accrued expenses	11,728	9,140
Borrowings	197,746	192,950
Current tax liabilities	2,404	2,180
	<u>233,930</u>	<u>231,296</u>
<b>Total Liabilities</b>	<u>244,067</u>	<u>242,012</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>511,165</b>	<b>502,159</b>
Net assets per share (RM)	1.61	1.57

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2018 and the accompanying explanatory notes to the interim financial reports.

**DOMINANT ENTERPRISE BERHAD**

(Company No.221206-D)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)**

	<b>Issued <u>Capital</u> RM'000</b>	<b>Other <u>Reserves</u> RM'000</b>	<b>Retained <u>Earnings</u> RM'000</b>	<b><u>Total</u> RM'000</b>	<b>Non- Controlling <u>Interest</u> RM'000</b>	<b>Total <u>Equity</u> RM'000</b>
<b>Balance as at 1 April 2017</b>	82,837	38,673	123,686	245,196	129	245,325
Total comprehensive income for the year	-	(611)	5,017	4,406	114	4,520
<b>Balance as at 30 June 2017</b>	<u>82,837</u>	<u>38,062</u>	<u>128,703</u>	<u>249,602</u>	<u>243</u>	<u>249,845</u>
<b>Balance as at 1 April 2018</b>	83,097	33,506	143,544	260,147	-	260,147
Total comprehensive income for the year	-	195	6,756	6,951	-	6,951
<b>Balance as at 30 June 2018</b>	<u>83,097</u>	<u>33,701</u>	<u>150,300</u>	<u>267,098</u>	<u>-</u>	<u>267,098</u>

The Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2018 and the accompanying explanatory notes to the interim financial reports.

**DOMINANT ENTERPRISE BERHAD**  
(Company No.221206-D)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)**

	<b>Financial Period Ended 30.06.2018 RM'000</b>	<b>Financial Period Ended 30.06.2017 RM'000</b>
Profit for the period	6,756	5,132
<b>Adjustments for : -</b>		
Non-cash items	866	1,008
Non-operating items	2,719	1,861
Taxation	1,921	1,628
<i>Operating profit before changes in working capital</i>	<u>12,262</u>	<u>9,629</u>
<b>Changes in working capital</b>		
Net change in current assets	(9,498)	(17,075)
Net change in current liabilities	(2,389)	(1,199)
<i>Cash from/ (used in) operations</i>	375	(8,645)
Interest paid	(76)	38
Income tax paid	(1,564)	(1,476)
<b>Net cash used in operating activities</b>	<u>(1,265)</u>	<u>(10,083)</u>
<i>Cash flows from / (used in) investing activities</i>		
Interest received	353	290
Purchase of property, plant and equipment	(802)	(546)
Purchase of investment properties	-	(722)
Placement of short term investment	(348)	(283)
<b>Net cash used in investing activities</b>	<u>(797)</u>	<u>(1,261)</u>
<i>Cash flows from / (used in) financing activities</i>		
Net proceeds from short-term borrowings	5,591	12,124
Interest paid on bank borrowings	(2,997)	(2,189)
Repayments of hire-purchase payables	(35)	(100)
Repayments of term loans	(1,057)	(1,313)
<b>Net cash from financing activities</b>	<u>1,502</u>	<u>8,522</u>
<b>Net Changes in Cash &amp; Cash Equivalents</b>	<u>(560)</u>	<u>(2,822)</u>
Adjustment for foreign exchange differentials	(46)	(189)
Cash & Cash Equivalents at beginning of financial period	4,409	10,258
Cash & Cash Equivalents at end of financial period	<u><u>3,803</u></u>	<u><u>7,247</u></u>
* Cash and cash equivalents at end of financial period comprise the following :		
Cash and bank balances	6,926	10,103
Less: Bank overdrafts (included within short term borrowings in Note B6)	(3,123)	(2,856)
	<u><u>3,803</u></u>	<u><u>7,247</u></u>

**The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2018 and the accompanying explanatory notes to the interim financial reports.**

**UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018**

**Notes to the Interim Financial Report**

**A1. Basis of Preparation**

The interim financial reports are unaudited and have been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2018. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant for the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2018.

**A2. Change in Accounting Policies**

The accounting policies adopted are consistent with those adopted in the audited financial statements for the financial year ended 31 March 2018 except for the new and revised Malaysian Financial Reporting Standards ("MFRSs") and Issues Committee Interpretations ("IC Int.") issued by the Malaysian Accounting Standards Board ("MASB") which are effective from the annual financial periods beginning on or after 1 January 2018 as follows:

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contract with Customers
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 15	Clarification to MFRS 15
Amendments to MFRS 140	Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

The above pronouncements are either not relevant or do not have significant impact on the interim financial statements of the Group upon their initial application.

**A3. Audit Qualification on Preceding Annual Financial Statements**

The audit report of the Group's annual Financial Statements for the financial year ended 31 March 2018 was not subject to any qualification.

**A4. Seasonal or Cyclical Factors**

The Group's business operations are not significantly affected by any seasonal or cyclical factors.

**A5. Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial year.

**A6. Material Changes in Accounting Estimates**

Not applicable.

**A7. Debts and Equity Securities**

There are no issuance and repayment of debts and equity securities during the current quarter and the financial year to date.

**A8. Dividend Paid**

There were no dividend payment made in current quarter.

**A9. Valuations of Property, Plant and Equipment**

There is no significant changes during the financial year.

**A10. Segmental Reporting**

	<u>Revenue</u>		<u>Segment Results</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Manufacturing of wood products	36,196	36,185	3,622	4,274
Distributing of wood products	143,053	119,509	9,572	5,712
Other operating segments	988	607	(1,013)	(629)
	<u>180,237</u>	<u>156,301</u>	<u>12,181</u>	<u>9,357</u>
Elimination of inter-segment revenue:				
- Manufacturing of wood products	(1,410)	(1,087)		
- Distributing of wood products	(5,051)	(4,979)		
- Other operating segments	(788)	(530)		
	<u>172,988</u>	<u>149,705</u>	<u>12,181</u>	<u>9,357</u>
Interest income			353	290
Interest expense			(3,072)	(2,151)
Depreciation and amortisation			(785)	(736)
Profit before tax			8,677	6,760
Income tax expense			(1,921)	(1,628)
Profit after tax			<u>6,756</u>	<u>5,132</u>

	<u>Assets</u>		<u>Liabilities</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Manufacturing of wood products	95,074	85,234	56,625	50,313
Distributing of wood products	322,569	271,677	173,461	134,835
Other operating segments	93,310	92,795	5,870	8,155
	<u>510,953</u>	<u>449,706</u>	<u>235,956</u>	<u>193,303</u>

**A11. Changes in the Composition of the Group**

There were no changes in composition of the Group for current quarter under review.

**A12. Contingent Liabilities**

As of 30 June 2018, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 433.14 million (RM 405.24 million in March 2018) which are guaranteed by the Company. Accordingly, the Company is contingently liable to the extent of credit facilities utilised by its subsidiary companies as of period-end amounting to about RM 210.25 million (RM 205.10 million in March 2018).

### A13. Subsequent Material Events

There are no subsequent material events that are required to be reflected in the current quarter.

### A14. Capital Commitment

As of 30 June 2018, the Group has the following capital commitments:

	RM'000
Approved and contracted for :	
Construction of building	2,587
Implementation of ERP system	172
	<u>2,759</u>

### Additional Information Required by the Bursa Malaysia Listing Requirements

#### B1. Review of the Performance

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Changes	Current Year To Date Ended	Preceding Year Ended	Changes
	30.06.2018	30.06.2017		30.06.2018	30.06.2017	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	172,988	149,705	15.55	172,988	149,705	15.55
Operating Profit	12,181	9,357	30.18	12,181	9,357	30.18
Profit Before Interest and Tax	11,396	8,621	32.19	11,396	8,621	32.19
Profit Before Tax	8,677	6,760	28.36	8,677	6,760	28.36
Profit After Tax	6,756	5,132	31.64	6,756	5,132	31.64
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	6,756	5,017	34.66	6,756	5,017	34.66

The Group's revenue for the current quarter ended 30 June 2018 was 15.55% higher than the same period last year due to market share expansion as well as penetration into new markets from the distribution division. Operating profit increased by 30.18%, from RM 9.36 million to RM 12.18 million, mainly due to higher revenue.

#### Manufacturing Division

The revenue was recorded at RM 34.79 million for current quarter, representing a slight decrease of 0.88% as compared to RM 35.10 million in the preceding year corresponding quarter ended 30 June 2017.

The operating profit has decreased by 15.22%, from RM 4.27 million to RM 3.62 million. The decrease in operating profit was mainly due to higher labour costs and operating costs.

#### Distribution Division

The revenue was recorded at RM 138.00 million for current quarter. This represented an increase of 20.49% as compared to RM 114.53 million in the preceding year corresponding quarter ended 30 June 2017. The increase in revenue was mainly contributed by additional market share captured as well as penetration into new markets.

Operating profit has increased by 67.60%, from RM 5.71 million to RM 9.57 million. The increase was mainly due to higher revenue as well as lower cost of purchase arising from favourable exchange rate.

**B2. Variation of Results Against Preceding Quarter**

	Current Quarter Ended	Preceding Quarter Ended	Changes
	30.06.2018	31.03.2018	
	RM'000	RM'000	
Revenue	172,988	176,493	-1.99
Operating Profit	12,181	16,840	-27.67
Profit Before Interest and Tax	11,396	16,107	-29.25
Profit Before Tax	8,677	14,683	-40.90
Profit After Tax	6,756	12,012	-43.76
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	6,756	11,854	-43.01

For current quarter under review, the Group's revenue decreased by 1.99% as compared to RM 176.49 million in the preceding quarter ended 31 March 2018. Excluding the gain arising from disposal of warehouse amounted to RM 2.02 million in preceding quarter, profit before tax ("PBT") decreased by 31.44%, from RM 12.66 million to RM 8.68 million.

**B3. Prospects**

The Board is of the view that the wood panel products' prices are not expected to experience any significant volatility. However, the raw material costs, labour supply and foreign exchange rates may affect the company's profit performance.

The Company will continue to leverage its competitive strengths of its economies of scale to lower its costs of production, in order to achieve satisfactory performance in coming financial year.

**B4. Taxation**

The taxation is calculated based on the profit for the financial period ended 30 June 2018 comprises the following:

	Current Quarter RM'000	Year To Date RM'000
<u>Income tax Expenses :</u>		
Current Tax Expense :		
Current Quarter/Year	1,921	1,921
	<u>1,921</u>	<u>1,921</u>

**B5. Status of Corporate Proposals**

There was no corporate proposal for the quarter under review.

**B6. Borrowings**

The Group's borrowings are as follows :-

	As At 30 June 2018		As At 31 March 2018	
	Foreign Denomination	RM Denomination RM'000	Foreign Denomination	RM Denomination RM'000
<b>SHORT TERM</b>				
<b>Unsecured</b>				
Bankers' Acceptances		158,848		152,726
	AUD 808,899	2,411	AUD 553,461	1,583
	USD 50,127	201	USD 190,458	737
	VND 22,652,810,530	3,987	VND 12,696,554,334	2,152
	THB 94,105,814	11,461	THB 118,511,525	14,665
Bank Overdrafts		1,829		2,412
	SGD 147,651	437	SGD 19,310	57
	AUD 8,512	25	AUD 7,389	22
	THB 6,832,178	832	THB 7,284,837	901
Term Loans		2,896		3,394
Revolving Credit		3,010		3,010
Trust Receipts	SGD 3,950,264	11,689	SGD 3,786,187	11,156
<b>Secured</b>				
Hire Purchase Creditors		120		135
		<u>197,746</u>		<u>192,950</u>
<b>LONG TERM</b>				
<b>Unsecured</b>				
Term Loans		4,406		4,965
<b>Secured</b>				
Hire Purchase Creditors		24		44
		<u>4,430</u>		<u>5,009</u>
<b>TOTAL BORROWINGS</b>				
Bankers' Acceptances		176,908		171,863
Bank Overdrafts		3,123		3,392
Term Loans		7,302		8,359
Revolving Credit		3,010		3,010
Trust Receipts		11,689		11,156
Hire Purchase Creditors		144		179
		<u>202,176</u>		<u>197,959</u>

**B7. Derivatives Financial Instruments**

As at 30 June 2018, the Group's outstanding derivatives are as follows :-

<u>Type of Derivatives</u>	<u>Contract Value RM'000</u>	<u>Fair Value RM'000</u>
Foreign Currency Forward Contracts		
- Less than 1 year	3,730	3,862

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risk, credit risk, liquidity risk and foreign currency risk.

**B8. Material Litigation**

Not applicable.

**B9. Proposed Dividend**

(a) For financial year ended 31 March 2018

A final dividend of 1.5 sen per share, single tier, for the financial year ended 31 March 2018 had been declared and approved at the 26<sup>th</sup> Annual General Meeting held on 27 August 2018. The dividend will be paid on 20 September 2018 to shareholders whose names appear in the Record of Depositors on 5 September 2018.

(b) For financial year ending 31 March 2019

The Board proposed a first interim dividend of 1.5 sen per share, single tier, for the financial year ending 31 March 2019 to be paid on 25 October 2018 to shareholders whose names appear in the Record of Depositors on 1 October 2018.

**B10. Earnings Per Share ("EPS")**

The EPS is derived as follow :-

	<b>Current Quarter</b>	<b>Current Year To Date</b>
Net profit for the period/year (RM'000)	6,756	6,756
Weighted average number of ordinary shares ('000)	165,240	165,240
EPS (sen)	4.09	4.09

**B11. Notes to the Condensed Consolidated Statement of Comprehensive Income**

Profit before tax is arrived at after crediting (charging) the following:

	<b>Current Quarter RM'000</b>	<b>Current Year To Date RM'000</b>
Interest income	353	353
Other income including investment income	1,104	1,104
Interest expense	(3,072)	(3,072)
Depreciation and amortisation	(785)	(785)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain/(Loss) on disposal of quoted or unquoted investments	-	-
Gain/(Loss) on disposal of property, plant and equipment	-	-
Impairment of assets	-	-
Gain/(Loss) on foreign exchange	513	513
Gain/(Loss) on derivatives	N/A	N/A