

**DOMINANT ENTERPRISE BERHAD**  
**Company No.: 199101010894 (221206-D)**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE THIRD QUARTER ENDED 31 DECEMBER 2021**

	<u>FYE2022</u>	<u>FYE2021</u>	<u>FYE2022</u>	<u>FYE2021</u>
	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current Quarter Ended 31.12.2021</b>	<b>Preceding Year Corresponding Quarter Ended 31.12.2020</b>	<b>Current Year To Date Ended 31.12.2021</b>	<b>Preceding Year Ended 31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	207,728	183,263	470,196	432,573
Profit from Operations	22,746	13,526	39,935	22,974
Interest Income	324	384	1,061	1,177
Interest Expense	(1,796)	(1,127)	(5,181)	(4,497)
Depreciation	(1,508)	(1,212)	(4,206)	(3,874)
Profit Before Tax	19,766	11,571	31,609	15,780
Income Tax Expense	(5,956)	(2,577)	(8,836)	(4,531)
Profit After Tax	13,810	8,994	22,773	11,249
<b>Other Comprehensive Income/(Loss)</b>				
Exchange differences on translating foreign operations	80	(42)	(953)	352
<b>Total Comprehensive Income</b>	<b>13,890</b>	<b>8,952</b>	<b>21,820</b>	<b>11,601</b>
<b>Profit attributable to :</b>				
Owners of the Parent	13,810	8,994	22,773	11,249
<b>Total comprehensive income attributable to :</b>				
Owners of the Parent	13,890	8,952	21,820	11,601
Earning Per Share				
- Basic (sen)	8.36	5.44	13.78	6.81
- Diluted (sen)	8.36	5.44	13.78	6.81

**The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statement for the financial year ended 31st March 2021 and the accompanying explanatory notes to the interim financial reports.**

**DOMINANT ENTERPRISE BERHAD**  
**Company No.: 199101010894 (221206-D)**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	(Unaudited) As At 31 December 2021 RM'000	(Audited) As At 31 March 2021 RM'000
<b>ASSETS</b>		
<b><u>Non-Current Assets</u></b>		
Property, plant and equipment	165,598	160,336
Investment properties	16,457	16,466
Inventories	6,013	6,013
Right-of-use assets	17,160	17,689
Goodwill	837	837
Deferred tax assets	254	254
	<u>206,319</u>	<u>201,595</u>
<b><u>Current Assets</u></b>		
Inventories	199,400	104,552
Trade receivables	178,667	144,243
Other receivables and prepaid expenses	6,938	7,852
Current tax assets	7	1,339
Short term investments	51,131	70,198
Cash and bank balances	14,610	17,299
	<u>450,753</u>	<u>345,483</u>
<b>TOTAL ASSETS</b>	<b>657,072</b>	<b>547,078</b>
<b>EQUITY AND LIABILITIES</b>		
<b><u>Equity Attributable To Owners Of The Parent</u></b>		
Share capital	83,097	83,097
Other reserves	54,116	55,069
Retained earnings	191,468	173,652
<b>Total Equity</b>	<b>328,681</b>	<b>311,818</b>
<b><u>Non-Current Liabilities</u></b>		
Borrowings	14,378	15,330
Lease liabilities	3,118	4,006
Deferred tax liabilities	10,626	10,133
	<u>28,122</u>	<u>29,469</u>
<b><u>Current Liabilities</u></b>		
Trade payables	51,718	39,225
Other payables and accrued expenses	9,939	8,476
Borrowings	232,224	154,282
Lease liabilities	2,364	2,107
Current tax liabilities	4,024	1,701
	<u>300,269</u>	<u>205,791</u>
<b>Total Liabilities</b>	<b>328,391</b>	<b>235,260</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>657,072</b>	<b>547,078</b>
Net assets per share (RM)	1.98	1.88

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2021 and the accompanying explanatory notes to the interim financial reports.

**DOMINANT ENTERPRISE BERHAD**

Company No.: 199101010894 (221206-D)

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

	<b>Share Capital RM'000</b>	<b>Other Reserves RM'000</b>	<b>Retained Earnings RM'000</b>	<b>Total Equity RM'000</b>
<b>Balance as at 1 April 2020</b>	83,097	54,930	162,794	300,821
Total comprehensive income for the period	-	352	11,249	11,601
Dividend	-	-	(2,478)	(2,478)
<b>Balance as at 31 December 2020</b>	<u>83,097</u>	<u>55,282</u>	<u>171,565</u>	<u>309,944</u>
<b>Balance as at 1 April 2021</b>	83,097	55,069	173,652	311,818
Total comprehensive income/(loss) for the period	-	(953)	22,773	21,820
Dividend	-	-	(4,957)	(4,957)
<b>Balance as at 31 December 2021</b>	<u>83,097</u>	<u>54,116</u>	<u>191,468</u>	<u>328,681</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 2021 and the accompanying explanatory notes to the interim financial reports.

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

	<b>Financial Period Ended 31.12.2021 RM'000</b>	<b>Financial Period Ended 31.12.2020 RM'000</b>
Profit for the period	22,773	11,249
<b>Adjustments for : -</b>		
Non-cash items	6,891	8,755
Non-operating items	4,120	3,320
Taxation	8,836	4,531
<i>Operating profit before changes in working capital</i>	42,620	27,855
<b>Changes in working capital</b>		
Net change in current assets	(132,345)	19,449
Net change in current liabilities	14,030	11,316
<i>Cash (used in)/generated from operations</i>	(75,695)	58,620
Income tax refunded	-	110
Interest paid	(180)	(72)
Income tax paid	(5,160)	(2,625)
<b>Net cash (used in)/from operating activities</b>	(81,035)	56,033
<i>Cash flows from / (used in) investing activities</i>		
Interest received	1,061	1,177
Proceeds from disposal of property, plant and equipment	101	249
Purchase of property, plant and equipment	(7,481)	(4,005)
Additions to prepaid land lease payments	-	(146)
Withdrawal/ (placement) of short term investments	19,017	(23,139)
<b>Net cash from/(used in) investing activities</b>	12,698	(25,864)
<i>Cash flows from / (used in) financing activities</i>		
Drawdown from/(repayments of) borrowings	75,684	(10,583)
Dividends paid	(4,957)	(2,478)
Interest paid	(4,791)	(4,186)
Cash payments on right-of-use assets	(201)	-
Repayments of lease liabilities	(1,999)	(1,707)
Repayments of term loans	(1,276)	(2,584)
<b>Net cash from/(used in) financing activities</b>	62,460	(21,538)
<b>Net Changes in Cash &amp; Cash Equivalents</b>	(5,877)	8,631
Adjustment for foreign exchange differentials	(99)	(326)
Cash & Cash Equivalents at beginning of financial period	16,439	3,629
Cash & Cash Equivalents at end of financial period	10,463	11,934
* Cash and cash equivalents at end of financial period comprise the following :		
Cash and bank balances	14,610	12,189
Less: Bank overdrafts (included within short term borrowings in Note B6)	(4,147)	(255)
	10,463	11,934

**The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2021 and the accompanying explanatory notes to the interim financial reports.**

**UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021**

**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 2021. 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 2021.

**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 2021 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 2021 as follows:

*Interest Rate Benchmark Reform – Phase 2* (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)

Amendment to MFRS 16 *Covid-19-Related Rent Concessions beyond 30 June 2021*

Annual Improvements to MFRS Standards 2018 – 2020

Amendments to MFRS 3 *Reference to the Conceptual Framework*

Amendments to MFRS 116 *Property, Plant and Equipment – Proceeds before Intended Use*

Amendments to MFRS 137 *Onerous Contracts – Cost of Fulfilling a Contract*

Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*

MFRS 17 *Insurance Contracts*

Amendments to MFRS 17 *Insurance Contracts*

*Disclosure of Accounting Policies* (Amendments to MFRS 101 *Presentation of Financial Statements*)

*Definition of Accounting Estimates* (Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*)

Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group has adopted the new and revised MFRSs that are relevant and effective for accounting periods beginning on or after 1 January 2021. The adoption of these new and revised MFRSs have not resulted in any material impact on the financial statements of the Group.

**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 2021 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 were no issuance or repayment of debentures and equity securities during the current quarter and the financial year to date.

**A8. Dividend Paid**

A first interim dividend of 1.0 sen per share, single tier, for the financial year ending 31 March 2022, amounting to RM 1,652,402, was paid by the Company on 22 October 2021.

A second interim dividend of 1.0 sen per share, single tier, for the financial year ending 31 March 2022, amounting to RM 1,652,402, was paid by the Company on 24 December 2021.

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

There was no significant changes during the financial period.

**A10. Segmental Reporting**

	<u>Revenue</u>		<u>Segment Results</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Manufacturing of wood products	120,128	149,753	22,179	16,274
Distributing of wood products	363,111	294,398	26,256	11,802
Other operating segments	<u>5,809</u>	<u>8,305</u>	<u>(8,500)</u>	<u>(5,102)</u>
	489,048	452,456	39,935	22,974
Elimination of inter-segment revenue:				
- Manufacturing of wood products	(1,914)	(1,823)		
- Distributing of wood products	(11,454)	(10,028)		
- Other operating segments	<u>(5,484)</u>	<u>(8,032)</u>		
	<u>470,196</u>	<u>432,573</u>	39,935	22,974
Interest income			1,061	1,177
Interest expense			(5,181)	(4,497)
Depreciation			<u>(4,206)</u>	<u>(3,874)</u>
Profit before tax			31,609	15,780
Income tax expense			<u>(8,836)</u>	<u>(4,531)</u>
Profit after tax			<u>22,773</u>	<u>11,249</u>
	<u>Assets</u>		<u>Liabilities</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Manufacturing of wood products	150,372	138,517	72,208	79,265
Distributing of wood products	387,336	277,745	231,304	138,683
Other operating segments	<u>119,103</u>	<u>132,301</u>	<u>10,229</u>	<u>7,855</u>
	<u>656,811</u>	<u>548,563</u>	<u>313,741</u>	<u>225,803</u>

#### A11. Contingent Liabilities

As of 31 December 2021, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 533.60 million (RM 533.32 million as of 30 September 2021) which are guaranteed by the Company. Accordingly, the Company is contingently liable to the extent of credit facilities utilised by its subsidiary companies amounting to approximately RM 259.71 million as of 31 December 2021 (RM 223.75 million as of 30 September 2021).

#### A12. Changes in the Composition of the Group

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

#### 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 31 December 2021, the Group has the following capital commitments:

	RM'000
Approved and contracted for :	
Acquisition of land	21,630
Construction of building	1,588
Acquisition of forklift, machineries and equipment	324
	<u>23,542</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
	31.12.2021	31.12.2020		31.12.2021	31.12.2020	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	207,728	183,263	13.35	470,196	432,573	8.70
Operating Profit	22,746	13,526	68.17	39,935	22,974	73.83
Profit Before Interest and Tax	21,238	12,314	72.47	35,729	19,100	87.06
Profit Before Tax	19,766	11,571	70.82	31,609	15,780	100.31
Profit After Tax	13,810	8,994	53.55	22,773	11,249	102.44
Profit Attributable to Owners of the Parent	13,810	8,994	53.55	22,773	11,249	102.44

For current quarter ended 31 December 2021, the Group recorded revenue of RM 207.73 million. This represents an increase of 13.35% as compared to RM 183.26 million in the preceding year corresponding quarter ended 31 December 2020. Profit before tax increased 70.82%, from RM 11.57 million to RM 19.77 million.

The Group's revenue for the current year to date ended 31 December 2021 was 8.70% higher than the same period last year. Profit before tax increased 100.31%, from RM 15.78 million to RM 31.61 million.

## B1. Review of the Performance (continued)

### Manufacturing Division

Revenue was recorded at RM 53.74 million for current quarter, representing a decrease of 11.41% as compared to RM 60.66 million in the preceding year corresponding quarter ended 31 December 2020. The drop in revenue was mainly due to slow down in market demand in the furniture industry. However, profit before tax has increased 37.87%, from RM 6.68 million to RM 9.21 million. Excluding the second compensation sum of RM 1.46 million received from insurance company in relation to the fire incident that occurred in January 2021, the profit before tax increased by 16.02%, driven mainly by concentrating on the production of high margin products, as well as effective costs management.

Revenue was recorded at RM 118.21 million for the nine months ended 31 December 2021. This represents a decrease of 20.09% as compared to RM 147.93 million in the preceding year ended 31 December 2020. However, profit before tax increased 41.62%, from RM 13.79 million to RM 19.53 million. Excluding the net compensation sum of RM 7.28 million received from insurance company in relation to the fire incident that occurred in January 2021, the profit before tax decreased by 11.17%, as a result of lower revenue recorded arising from a relatively longer lockdown period.

### Distribution Division

Revenue was recorded at RM 153.86 million for the current quarter. This represents an increase of 25.59% as compared to RM 122.51 million in the preceding year corresponding quarter ended 31 December 2020. The increase in revenue was largely due to positive momentum from recovery of business activities. Profit before tax increased 69.58%, from RM 6.74 million to RM 11.43 million. Excluding the second compensation sum of RM 3.27 million received from insurance company in relation to the fire incident that occurred in January 2021, the profit before tax increased by 21.07%. The increase in profit before tax was due mainly to the Group's policy of having diverse source of supply, as well as effective stock and costs management.

Revenue was recorded at RM 351.66 million for the nine months ended 31 December 2021. This represents an increase of 23.66% as compared to RM 284.37 million in the preceding year ended 31 December 2020. Excluding the net compensation sum of RM 3.27 million received, profit before tax increased from RM 6.90 million to RM 17.23 million, largely due to higher revenue, the Group's policy of having diverse source of supply, as well as effective stock and costs management.

## B2. Variation of Results Against Preceding Quarter

	Current Quarter Ended	Preceding Quarter Ended	Changes
	31.12.2021	30.09.2021	
	RM'000	RM'000	
Revenue	207,728	122,315	69.83
Operating Profit	22,746	5,252	333.09
Profit Before Interest and Tax	21,238	3,830	454.52
Profit Before Tax	19,766	2,779	611.26
Profit After Tax	13,810	2,047	574.65
Profit Attributable to Owners of the Parent	13,810	2,047	574.65

For the current quarter under review, the Group's revenue increased 69.83% as compared to RM 122.32 million in the preceding quarter ended 30 September 2021. This was due mainly to the resumption of business activities after Full Movement Control Order ("FMCO") was lifted. Profit before tax increased from RM 2.78 million to RM 19.77 million. Excluding the net compensation sum of RM 4.73 million received from insurance company in relation to the fire incident that occurred in January 2021, profit before tax increased from RM 2.78 million to RM 15.04 million.

## B3. Prospects

The Board is of the view that the uncertainty in the global economy resulting from the current COVID-19 pandemic, together with factors like raw material costs, freight and logistics costs, labour supply and foreign exchange rates may continue to influence the Group's profit performance.

The Group will continue to leverage on its competitive strength to meet these challenges.



**B4. Status of Corporate Proposals**

There was no corporate proposal for the quarter under review.

**B5. Taxation**

The taxation is calculated based on the profit for the financial period ended 31 December 2021 as follows:

<u>Income Tax Expenses :</u>	<u>Current Quarter</u> <u>RM'000</u>	<u>Year To Date</u> <u>RM'000</u>
Current Tax Expense :		
Current Quarter/Year	5,332	8,212
Under provision in prior year	624	624
	5,956	8,836

**B6. Borrowings**

The Group's borrowings are as follows :-

	As At 31 December 2021		As At 31 March 2021	
	Foreign Denomination	RM Denomination RM'000	Foreign Denomination	RM Denomination RM'000
<b>SHORT TERM</b>				
<b>Unsecured</b>				
Bankers' Acceptances		195,906		122,119
	USD 0	-	USD 2,396,297	9,966
Bank Overdrafts		4,147		637
	SGD 0	-	SGD 71,702	221
	AUD 0	-	AUD 498	2
Term Loans		2,692		3,018
Revolving Credit		2,508		2,506
Trust Receipts		13,204		5,817
	SGD 4,279,965	13,204	SGD 1,884,205	5,817
	VND 30,533,166,308	5,572	VND 16,763,952,170	3,018
	THB 65,723,431	8,195	THB 52,670,591	6,978
		232,224		154,282
<b>LONG TERM</b>				
<b>Unsecured</b>				
Term Loans		14,378		15,330
		14,378		15,330
<b>TOTAL BORROWINGS</b>				
Bankers' Acceptances		195,906		132,085
Bank Overdrafts		4,147		860
Term Loans		17,070		18,348
Revolving Credit		2,508		2,506
Trust Receipts		26,971		15,813
		246,602		169,612

**B7. Derivatives Financial Instruments**

As at 31 December 2021, 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	6,824	6,890

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**

For financial year ending 31 March 2022

The Board proposed a third interim dividend of 1.0 sen per share, single tier, for the financial year ending 31 March 2022 (1.0 sen per share, single tier, in previous corresponding period) to be paid on 25 March 2022 to shareholders whose names appear in Record of Depositors on 10 March 2022.

Total dividend per share for current financial year-to-date is 3.0 sen.

**B10. Earning Per Share**

The earning per share is derived as follow :-

	<b>Current Quarter</b>	<b>Current Year To Date</b>
Net profit for the period/year (RM'000)	13,810	22,773
Weighted average number of ordinary shares ('000)	165,240	165,240
Earning per share (sen)	8.36	13.78

**B11. Notes to the Condensed Consolidated Statement of Profit or Loss and Other 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	324	1,061
Other income including investment income		
- fire insurance compensation	4,726	10,551
- reversal of impairment loss on receivables	123	966
- wage subsidy programme	134	505
- others	202	752
Interest expense	(1,796)	(5,181)
Depreciation	(1,508)	(4,206)
Provision for and write off of receivables	(1,139)	(2,099)
Provision for and write off of inventories	(1,697)	(1,697)
Gain/(Loss) on disposal of quoted or unquoted investments	-	-
Gain/(Loss) on disposal of property, plant and equipment	27	94
Impairment of assets	-	-
Gain/(Loss) on foreign exchange	319	1,318
Gain/(Loss) on derivatives	N/A	N/A