

**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 2022**

	<u>FYE2023</u>	<u>FYE2022</u>	<u>FYE2023</u>	<u>FYE2022</u>
	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current Quarter Ended 31.12.2022</b>	<b>Preceding Year Corresponding Quarter Ended 31.12.2021</b>	<b>Current Year To Date Ended 31.12.2022</b>	<b>Preceding Year Ended 31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	204,314	207,728	583,035	470,196
Profit from Operations	6,369	22,746	19,243	39,935
Interest Income	118	324	417	1,061
Interest Expense	(2,544)	(1,796)	(6,691)	(5,181)
Depreciation	(1,633)	(1,508)	(4,897)	(4,206)
Profit Before Tax	2,310	19,766	8,072	31,609
Income Tax Expense	(482)	(5,956)	(2,219)	(8,836)
Profit After Tax	1,828	13,810	5,853	22,773
<b>Other Comprehensive Income</b>				
Exchange differences on translating foreign operations	310	80	1,329	(953)
<b>Total Comprehensive Income</b>	<b>2,138</b>	<b>13,890</b>	<b>7,182</b>	<b>21,820</b>
<b>Profit attributable to :</b>				
Owners of the Parent	1,828	13,810	5,853	22,773
<b>Total comprehensive income attributable to :</b>				
Owners of the Parent	2,138	13,890	7,182	21,820
Earning Per Share				
- Basic (sen)	1.11	8.36	3.54	13.78
- Diluted (sen)	1.11	8.36	3.54	13.78

**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 2022 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 2022 RM'000	(Audited) As At 31 March 2022 RM'000
<b>ASSETS</b>		
<b><u>Non-Current Assets</u></b>		
Property, plant and equipment	162,816	163,593
Investment properties	30,829	30,656
Inventories	27,443	6,013
Right-of-use assets	17,296	16,767
Goodwill	837	837
Deferred tax assets	119	119
	239,340	217,985
<b><u>Current Assets</u></b>		
Inventories	166,219	161,605
Trade receivables	185,266	174,067
Other receivables and prepaid expenses	5,915	9,554
Current tax assets	1,624	234
Short term investments	50,337	55,472
Cash and bank balances	12,198	15,891
	421,559	416,823
<b>TOTAL ASSETS</b>	<b>660,899</b>	<b>634,808</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	62,991	61,662
Retained earnings	200,491	200,421
<b>Total Equity</b>	<b>346,579</b>	<b>345,180</b>
<b><u>Non-Current Liabilities</u></b>		
Borrowings	28,312	13,426
Lease liabilities	3,193	2,959
Deferred tax liabilities	12,170	12,018
	43,675	28,403
<b><u>Current Liabilities</u></b>		
Trade payables	41,777	32,709
Other payables and accrued expenses	4,902	10,016
Borrowings	221,217	211,879
Lease liabilities	2,577	2,198
Current tax liabilities	172	4,423
	270,645	261,225
<b>Total Liabilities</b>	<b>314,320</b>	<b>289,628</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>660,899</b>	<b>634,808</b>
Net assets per share (RM)	2.09	2.08

**The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2022 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 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>
<b>Balance as at 1 April 2022</b>	83,097	61,662	200,421	345,180
Total comprehensive income for the period	-	1,329	5,853	7,182
Dividend	-	-	(5,783)	(5,783)
<b>Balance as at 31 December 2022</b>	<u>83,097</u>	<u>62,991</u>	<u>200,491</u>	<u>346,579</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 2022 and the accompanying explanatory notes to the interim financial reports.

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

	<b>Financial Period Ended 31.12.2022 RM'000</b>	<b>Financial Period Ended 31.12.2021 RM'000</b>
Profit for the period	5,853	22,773
<b>Adjustments for : -</b>		
Non-cash items	3,015	6,891
Non-operating items	6,274	4,120
Taxation	2,219	8,836
<i>Operating profit before changes in working capital</i>	17,361	42,620
<b>Changes in working capital</b>		
Net change in current assets	(31,106)	(132,345)
Net change in current liabilities	3,752	14,030
<i>Cash generated from / (used in) operations</i>	(9,993)	(75,695)
Interest paid	(143)	(180)
Income tax paid	(7,856)	(5,160)
<b>Net cash used in operating activities</b>	(17,992)	(81,035)
<i>Cash flows from / (used in) investing activities</i>		
Interest received	417	1,061
Proceeds from disposal of property, plant and equipment	198	101
Proceeds from disposal of investment properties	770	-
Purchase of property, plant and equipment	(1,893)	(7,481)
Additions to investment property	(35)	-
Withdrawal of short term investments	5,716	19,017
<b>Net cash from investing activities</b>	5,173	12,698
<i>Cash flows from / (used in) financing activities</i>		
Drawdown from borrowings	4,141	75,684
Dividends paid	(5,783)	(4,957)
Interest paid	(6,379)	(4,791)
Cash payments on right-of-use assets	-	(201)
Repayments of lease liabilities	(2,119)	(1,999)
Proceeds from/ (repayments of) term loans	14,844	(1,276)
<b>Net cash (used in) / from financing activities</b>	4,704	62,460
<b>Net Changes in Cash &amp; Cash Equivalents</b>	(8,115)	(5,877)
Adjustment for foreign exchange differentials	(42)	(99)
Cash & Cash Equivalents at beginning of financial period	15,499	16,439
Cash & Cash Equivalents at end of financial period	7,342	10,463
* Cash and cash equivalents at end of financial period comprise the following :		
Cash and bank balances	12,198	14,610
Less: Bank overdrafts (included within short term borrowings in Note B6)	(4,856)	(4,147)
	7,342	10,463

**The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2022 and the accompanying explanatory notes to the interim financial reports.**

**UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

**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 2022. 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 2022.

**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 2022 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 2022 as follows:

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*

*Initial Application of MFRS 17 and MFRS 19 – Comparative Information (Amendment 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)*

*Deferred tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112)*

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 2022. 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 2022 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 2023, amounting to RM 1,652,402, was paid by the Company on 27 October 2022.

A second interim dividend of 0.5 sen per share, single tier, for the financial year ending 31 March 2023, amounting to RM 826,201, was paid by the Company on 22 December 2022.

**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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Manufacturing of wood products	110,164	120,128	7,238	22,179
Distributing of wood products	489,092	363,111	18,714	26,256
Other operating segments	<u>6,554</u>	<u>5,809</u>	<u>(6,709)</u>	<u>(8,500)</u>
	<u>605,810</u>	<u>489,048</u>	<u>19,243</u>	<u>39,935</u>
Elimination of inter-segment revenue:				
- Manufacturing of wood products	(3,128)	(1,914)		
- Distributing of wood products	(14,067)	(11,454)		
- Other operating segments	<u>(5,580)</u>	<u>(5,484)</u>		
	<u>583,035</u>	<u>470,196</u>	<u>19,243</u>	<u>39,935</u>
Interest income			417	1,061
Interest expense			(6,691)	(5,181)
Depreciation			<u>(4,897)</u>	<u>(4,206)</u>
Profit before tax			8,072	31,609
Income tax expense			<u>(2,219)</u>	<u>(8,836)</u>
Profit after tax			<u>5,853</u>	<u>22,773</u>
	<u>Assets</u>		<u>Liabilities</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Manufacturing of wood products	122,032	150,372	59,316	72,208
Distributing of wood products	393,726	387,336	222,830	231,304
Other operating segments	<u>143,398</u>	<u>119,103</u>	<u>19,832</u>	<u>10,229</u>
	<u>659,156</u>	<u>656,811</u>	<u>301,978</u>	<u>313,741</u>

### A11. Contingent Liabilities

As of 31 December 2022, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 564.60 million (RM 577.48 million as of 30 September 2022) 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 261.46 million as of 31 December 2022 (RM 256.48 million as of 30 September 2022).

### 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 2022, the Group has the following capital commitments:

	RM'000
Approved and contracted for :	
Acquisition of land	640
Construction of building	1,017
Acquisition of forklift, machineries and equipment	456
	<u>2,113</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
	31.12.2022	31.12.2021		31.12.2022	31.12.2021	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	204,314	207,728	-1.64	583,035	470,196	24.00
Operating Profit	6,369	22,746	-72.00	19,243	39,935	-51.81
Profit Before Interest and Tax	4,736	21,238	-77.70	14,346	35,729	-59.85
Profit Before Tax	2,310	19,766	-88.31	8,072	31,609	-74.46
Profit After Tax	1,828	13,810	-86.76	5,853	22,773	-74.30
Profit Attributable to Owners of the Parent	1,828	13,810	-86.76	5,853	22,773	-74.30

For current quarter ended 31 December 2022, the Group recorded revenue of RM 204.31 million. This represents a slight decrease of 1.64% as compared to RM 207.73 million in the preceding year corresponding quarter ended 31 December 2021. Profit before tax decreased 88.31%, from RM 19.77 million to RM 2.31 million, as a result of lower margins to capture a bigger market share in the currently shrinking market, as well as higher cost of imports and materials.

The Group's revenue for the current year to date ended 31 December 2022 was 24.00% higher than the same period last year. Profit before tax decreased 74.46%, from RM 31.61 million to RM 8.07 million.

**B1. Review of the Performance (continued)**Manufacturing Division

Revenue was recorded at RM 32.92 million for current quarter, representing a decrease of 38.74% as compared to RM 53.74 million in the preceding year corresponding quarter ended 31 December 2021. The decrease in revenue was largely due to slow down in market demand. Profit before tax decreased from RM 9.21 million to RM 0.82 million.

	Current Quarter Ended	Preceding Year Corresponding Quarter Ended
	31.12.2022	31.12.2021
	RM'000	RM'000
Profit before tax	818	9,214
Less : insurance compensation received in relation to fire incident	-	(1,458)
Adjusted profit before tax	818	7,756

Excluding the insurance compensation sum of RM 1.46 million received in preceding year corresponding quarter, profit before tax decreased from RM 7.76 million to RM 0.82 million, as a result of higher material and labour costs.

Revenue was recorded at RM 107.04 million for the nine months ended 31 December 2022. This represents a decrease of 9.45% as compared to RM 118.21 million in the preceding year ended 31 December 2021. Profit before tax decreased 77.32%, from RM 19.53 million to RM 4.43 million.

	Current Year To Date Ended	Preceding Year Ended
	31.12.2022	31.12.2021
	RM'000	RM'000
Profit before tax	4,433	19,530
Less : insurance compensation received in relation to fire incident	(1,423)	(7,283)
Adjusted profit before tax	3,010	12,247

Excluding the insurance compensation sum of RM 7.28 million received in preceding year, and a final fire insurance compensation of RM 0.82 million and consequential loss insurance compensation of RM 0.60 million received in current year, the profit before tax decreased by 75.43%, from RM 12.25 million to RM 3.01 million.

Distribution Division

Revenue was recorded at RM 171.07 million for the current quarter. This represents an increase of 11.19% as compared to RM 153.86 million in the preceding year corresponding quarter ended 31 December 2021. The increase in revenue was due mainly to additional market share captured. However, profit before tax decreased 80.40%, from RM 11.43 million to RM 2.24 million.

	Current Quarter Ended	Preceding Year Corresponding Quarter Ended
	31.12.2022	31.12.2021
	RM'000	RM'000
Profit before tax	2,243	11,434
Less : insurance compensation received in relation to fire incident	-	(3,268)
Adjusted profit before tax	2,243	8,166

Excluding the insurance compensation sum of RM 3.27 million received in preceding year corresponding quarter, profit before tax decreased from RM 8.17 million to RM 2.24 million, as a result of higher costs of distributed products, stiff competition, as well as lower margins to capture a bigger market share.



**B1. Review of the Performance (continued)**

Revenue was recorded at RM 475.03 million for the nine months ended 31 December 2022. This represents an increase of 35.08% as compared to RM 351.66 million in the preceding year ended 31 December 2021. Profit before tax decreased 47.32%, from RM 20.50 million to RM 10.80 million.

	Current Year To Date Ended	Preceding Year Ended
	31.12.2022	31.12.2021
	RM'000	RM'000
Profit before tax	10,796	20,500
Less : insurance compensation received in relation to fire incident	(62)	(3,269)
Adjusted profit before tax	10,734	17,231

Excluding the insurance compensation sum of RM 3.27 million received in preceding year and consequential loss insurance compensation of RM 0.06 million received in current year, the profit before tax decreased by 37.72%, from RM 17.23 million to RM 10.73 million..

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

	Current Quarter Ended	Preceding Quarter Ended	Changes
	31.12.2022	30.09.2022	
	RM'000	RM'000	
Revenue	204,314	187,542	8.94
Operating Profit	6,369	4,532	40.53
Profit Before Interest and Tax	4,736	2,904	63.09
Profit Before Tax	2,310	1,062	117.51
Profit After Tax	1,828	572	219.58
Profit Attributable to Owners of the Parent	1,828	572	219.58

For the current quarter under review, the Group's revenue increased 8.94% as compared to RM 187.54 million in the preceding quarter ended 30 September 2022. Profit before tax increased from RM 1.06 million to RM 2.31 million.

**B3. Prospects**

The Board is of the view that the uncertainty in the global economy, together with factors like inflation, rise in interest rates and fluctuation in foreign exchange rates may 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 year ended 31 December 2022 as follows:

<u>Tax Expense :</u>	<u>Current Quarter</u> <u>RM'000</u>	<u>Year To Date</u> <u>RM'000</u>
Current Tax Expense :		
Current Quarter/Year	482	2,219
Total Tax Expense	<u>482</u>	<u>2,219</u>

**B6. Borrowings**

The Group's borrowings are as follows :-.

	As At 31 December 2022		As At 31 March 2022	
	Foreign Denomination	RM Denomination RM'000	Foreign Denomination	RM Denomination RM'000
<b>SHORT TERM</b>				
<b>Unsecured</b>				
Bankers' Acceptances		125,027		174,518
	USD 12,294,286	56,714	USD 1,593,799	6,704
-	SGD 452,030	1,473		-
Bank Overdrafts		4,856		389
	SGD 0	-	SGD 926	3
Term Loans		2,994		3,030
Revolving Credit		2,500		2,507
Trust Receipts	SGD 2,628,775	8,628	SGD 3,311,606	10,287
	VND 42,802,328,738	8,004	VND 28,015,816,358	5,155
	THB 86,230,702	11,021	THB 73,533,986	9,286
		<u>221,217</u>		<u>211,879</u>
<b>LONG TERM</b>				
<b>Unsecured</b>				
Term Loans		28,312		13,426
		<u>28,312</u>		<u>13,426</u>
<b>TOTAL BORROWINGS</b>				
Bankers' Acceptances		183,214		181,222
Bank Overdrafts		4,856		392
Term Loans		31,306		16,456
Revolving Credit		2,500		2,507
Trust Receipts		27,653		24,728
		<u>249,529</u>		<u>225,305</u>

**B7. Derivatives Financial Instruments**

As at 31 December 2022, 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	4,970	4,993

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 2023

The Board proposed a third interim dividend of 0.5 sen per share, single tier, for the financial year ending 31 March 2023 (1.0 sen per share, single tier, in previous corresponding period) to be paid on 30 March 2023 to shareholders whose names appear in Record of Depositors on 14 March 2023.

Total dividend per share for current financial year-to-date is 2.0 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)	1,828	5,853
Weighted average number of ordinary shares ('000)	165,240	165,240
Earning per share (sen)	1.11	3.54

**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	118	417
Other income including investment income		
- fire insurance compensation	-	826
- consequential loss insurance compensation	-	659
- reversal of impairment loss on receivables	51	1,178
- others	490	1,227
Interest expense	(2,544)	(6,691)
Depreciation	(1,633)	(4,897)
Provision for and write off of receivables	84	(160)
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	49	226
Impairment of assets	-	-
Gain/(Loss) on foreign exchange	1,246	640
Gain/(Loss) on derivatives	N/A	N/A