

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FOURTH QUARTER ENDED 31 MARCH 2023

	<u>FYE2023</u>	<u>FYE2022</u>	<u>FYE2023</u>	<u>FYE2022</u>
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 31.03.2023	Preceding Year Corresponding Quarter Ended 31.03.2022	Current Year To Date Ended 31.03.2023	Preceding Year Ended 31.03.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	208,545	194,801	791,580	664,997
Profit from Operations	8,690	16,256	27,933	56,191
Fair value adjustments on investment properties	-	594	-	594
Interest Income	144	120	561	1,181
Interest Expense	(2,292)	(1,324)	(8,983)	(6,505)
Depreciation	(1,853)	(1,605)	(6,750)	(5,811)
Profit Before Tax	4,689	14,041	12,761	45,650
Income Tax Expense	281	(3,436)	(1,938)	(12,272)
Profit After Tax	4,970	10,605	10,823	33,378
Other Comprehensive Income				
Exchange differences on translating foreign operations	402	482	1,731	(471)
Gain on revaluation of properties	2,368	7,064	2,368	7,064
Total Comprehensive Income	7,740	18,151	14,922	39,971
Profit attributable to :				
Owners of the Parent	4,970	10,605	10,823	33,378
Total comprehensive income attributable to :				
Owners of the Parent	7,740	18,151	14,922	39,971
Earning Per Share				
- Basic (sen)	3.01	6.42	6.55	20.20
- Diluted (sen)	3.01	6.42	6.55	20.20

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 March 2023 RM'000	(Audited) As At 31 March 2022 RM'000
ASSETS		
<u>Non-Current Assets</u>		
Property, plant and equipment	165,673	163,593
Investment properties	31,025	30,656
Inventories	27,604	6,013
Right-of-use assets	20,141	16,767
Goodwill	837	837
Deferred tax assets	119	119
	<u>245,399</u>	<u>217,985</u>
<u>Current Assets</u>		
Inventories	126,429	161,605
Trade receivables	198,076	174,067
Other receivables and prepaid expenses	9,373	9,554
Current tax assets	2,108	234
Short term investments	53,773	55,472
Cash and bank balances	9,298	15,891
	<u>399,057</u>	<u>416,823</u>
TOTAL ASSETS	644,456	634,808
EQUITY AND LIABILITIES		
<u>Equity Attributable To Owners Of The Parent</u>		
Share capital	83,097	83,097
Other reserves	65,761	61,662
Retained earnings	204,635	200,421
Total Equity	353,493	345,180
<u>Non-Current Liabilities</u>		
Borrowings	26,355	13,426
Lease liabilities	3,066	2,959
Deferred tax liabilities	12,332	12,018
	<u>41,753</u>	<u>28,403</u>
<u>Current Liabilities</u>		
Trade payables	33,428	32,709
Other payables and accrued expenses	5,759	10,016
Borrowings	206,468	211,879
Lease liabilities	2,963	2,198
Current tax liabilities	592	4,423
	<u>249,210</u>	<u>261,225</u>
Total Liabilities	290,963	289,628
TOTAL EQUITY AND LIABILITIES	644,456	634,808
Net assets per share (RM)	2.13	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)

	Share Capital RM'000	Other Reserves RM'000	Retained Earnings RM'000	Total Equity RM'000
Balance as at 1 April 2021	83,097	55,069	173,652	311,818
Total comprehensive income for the year	-	6,593	33,378	39,971
Dividends	-	-	(6,609)	(6,609)
Balance as at 31 March 2022	<u>83,097</u>	<u>61,662</u>	<u>200,421</u>	<u>345,180</u>
Balance as at 1 April 2022	83,097	61,662	200,421	345,180
Total comprehensive income for the year	-	4,099	10,823	14,922
Dividends	-	-	(6,609)	(6,609)
Balance as at 31 March 2023	<u>83,097</u>	<u>65,761</u>	<u>204,635</u>	<u>353,493</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)

	Financial Year Ended 31.03.2023 RM'000	Financial Year Ended 31.03.2022 RM'000
Profit for the year	10,823	33,378
Adjustments for : -		
Non-cash items	4,717	6,506
Non-operating items	8,422	5,324
Taxation	1,938	12,272
<i>Operating profit before changes in working capital</i>	25,900	57,480
Changes in working capital		
Net change in current assets	(7,842)	(90,857)
Net change in current liabilities	(3,773)	(4,996)
<i>Cash generated from / (used in) operations</i>	14,285	(38,373)
Interest paid	(161)	(188)
Income tax paid	(8,114)	(8,245)
Net cash used in operating activities	6,010	(46,806)
<i>Cash flows from / (used in) investing activities</i>		
Interest received	561	1,181
Proceeds from disposal of property, plant and equipment	260	211
Proceeds from disposal of investment properties	770	-
Purchase of property, plant and equipment	(3,401)	(10,046)
Additions to investment property	(35)	(64)
Withdrawal of short term investments	2,596	14,812
Net cash from investing activities	751	6,094
<i>Cash flows from / (used in) financing activities</i>		
(Repayments of)/ proceeds from borrowings	(6,844)	58,570
Dividends paid	(6,609)	(6,609)
Interest paid	(8,570)	(6,045)
Cash payments on right-of-use assets	-	(420)
Repayments of lease liabilities	(3,070)	(2,699)
Proceeds from/ (repayments of) term loans	12,016	(2,975)
Net cash (used in) / from financing activities	(13,077)	39,822
Net Changes in Cash & Cash Equivalents	(6,316)	(890)
Adjustment for foreign exchange differentials	(31)	(50)
Cash & Cash Equivalents at beginning of financial year	15,499	16,439
Cash & Cash Equivalents at end of financial year	9,152	15,499
* Cash and cash equivalents at end of financial year comprise the following :		
Cash and bank balances	9,298	15,891
Less: Bank overdrafts (included within short term borrowings in Note B6)	(146)	(392)
	9,152	15,499

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 YEAR ENDED 31 MARCH 2023

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 third interim dividend of 0.5 sen per share, single tier, for the financial year ended 31 March 2023, amounting to RM 826,201, was paid by the Company on 30 March 2023.

A9. Valuations of Property, Plant and Equipment

The properties were revalued during the year based on open market valuations carried out by an independent firm of professional valuers to reflect the market value. The total revaluation surplus recognized in current quarter amounted to RM 2.37 million.

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	149,417	167,731	10,061	29,235
Distributing of wood products	662,217	515,342	25,891	36,925
Other operating segments	17,131	20,322	(8,019)	(9,969)
	<u>828,765</u>	<u>703,395</u>	<u>27,933</u>	<u>56,191</u>
Elimination of inter-segment revenue:				
- Manufacturing of wood products	(4,007)	(2,555)		
- Distributing of wood products	(17,377)	(16,171)		
- Other operating segments	(15,801)	(19,672)		
	<u>791,580</u>	<u>664,997</u>	<u>27,933</u>	<u>56,191</u>
Fair value adjustments on investment properties			-	594
Interest income			561	1,181
Interest expense			(8,983)	(6,505)
Depreciation			(6,750)	(5,811)
Profit before tax			12,761	45,650
Income tax expense			(1,938)	(12,272)
Profit after tax			<u>10,823</u>	<u>33,378</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	126,127	141,086	59,499	77,050
Distributing of wood products	369,493	365,856	199,538	187,496
Other operating segments	146,609	127,513	19,002	8,641
	<u>642,229</u>	<u>634,455</u>	<u>278,039</u>	<u>273,187</u>

A11. Contingent Liabilities

As of 31 March 2023, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 585.44 million (RM 564.60 million as of 31 December 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 246.98 million as of 31 March 2023 (RM 261.46 million as of 31 December 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 March 2023, the Group has the following capital commitments:

	RM'000
Approved and contracted for :	
Acquisition of land	640
Construction of building	528
Acquisition of forklift, machineries and equipment	415
	<u>1,583</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
	31.03.2023	31.03.2022		31.03.2023	31.03.2022	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	208,545	194,801	7.06	791,580	664,997	19.04
Operating Profit	8,690	16,256	-46.54	27,933	56,191	-50.29
Profit Before Interest and Tax	6,837	15,245	-55.15	21,183	50,974	-58.44
Profit Before Tax	4,689	14,041	-66.60	12,761	45,650	-72.05
Profit After Tax	4,970	10,605	-53.14	10,823	33,378	-67.57
Profit Attributable to Owners of the Parent	4,970	10,605	-53.14	10,823	33,378	-67.57

For current quarter ended 31 March 2023, the Group recorded revenue of RM 208.55 million. This represents an increase of 7.06% as compared to RM 194.80 million in the preceding year corresponding quarter ended 31 March 2022. Profit before tax decreased 66.60%, from RM 14.04 million to RM 4.69 million, as a result of lower margins as well as higher cost of imports and materials.

The Group's revenue for the current year to date ended 31 March 2023 was 19.04% higher than the same period last year. However, profit before tax decreased 72.05%, from RM 45.65 million to RM 12.76 million.

B1. Review of the Performance (continued)Manufacturing Division

Revenue was recorded at RM 38.37 million for current quarter, representing a decrease of 18.29% as compared to RM 46.96 million in the preceding year corresponding quarter ended 31 March 2022. The decrease in revenue was largely due to slow down in market demand. Profit before tax decreased from RM 6.46 million to RM 1.74 million, as a result of higher material and labour costs.

Revenue was recorded at RM 145.41 million for the twelve months ended 31 March 2023. This represents a decrease of 11.97% as compared to RM 165.18 million in the preceding year ended 31 March 2022. Profit before tax decreased 76.26%, from RM 25.99 million to RM 6.17 million.

	Current Year	Preceding Year
	To Date	Ended
	Ended	Ended
	31.03.2023	31.03.2022
	RM'000	RM'000
Profit before tax	6,173	25,994
Less : insurance compensation received in relation to fire incident	(1,423)	(7,283)
Adjusted profit before tax	4,750	18,711

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 74.61%, from RM 18.71 million to RM 4.75 million.

Distribution Division

Revenue was recorded at RM 169.82 million for the current quarter. This represents an increase of 15.12% as compared to RM 147.51 million in the preceding year corresponding quarter ended 31 March 2022. The increase in revenue was due mainly to additional market share captured. However, profit before tax decreased 44.93%, from RM 7.99 million to RM 4.40 million, as a result of higher costs of distributed products, stiff competition, as well as lower margins.

Revenue was recorded at RM 644.84 million for the twelve months ended 31 March 2023. This represents an increase of 29.18% as compared to RM 499.17 million in the preceding year ended 31 March 2022. Profit before tax decreased 46.65%, from RM 28.49 million to RM 15.20 million.

	Current Year	Preceding Year
	To Date	Ended
	Ended	Ended
	31.03.2023	31.03.2022
	RM'000	RM'000
Profit before tax	15,198	28,488
Less : insurance compensation received in relation to fire incident	(62)	(3,269)
Adjusted profit before tax	15,136	25,219

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 39.97%, from RM 25.22 million to RM 15.14 million.

B2. Variation of Results Against Preceding Quarter

	Current Quarter Ended	Preceding Quarter Ended	Changes
	31.03.2023	31.12.2022	
	RM'000	RM'000	
Revenue	208,545	204,314	2.07
Operating Profit	8,690	6,369	36.44
Profit Before Interest and Tax	6,837	4,736	44.36
Profit Before Tax	4,689	2,310	102.99
Profit After Tax	4,970	1,828	171.88
Profit Attributable to Owners of the Parent	4,970	1,828	171.88

For the current quarter under review, the Group's revenue was recorded at RM 208.55 million, representing an increase of 2.07% as compared to RM 204.31 million in the preceding quarter ended 31 December 2022. Profit before tax increased from RM 2.31 million to RM 4.69 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 March 2023 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	187	3,068
Over provision in prior year	-	(666)
Deferred Tax Expense :		
Current Quarter/Year	(573)	(573)
Under provision in prior year	105	105
Real Property Gain Tax	-	4
Total Tax Expense	<u>(281)</u>	<u>1,938</u>

B6. Borrowings

The Group's borrowings are as follows :-

	As At 31 March 2023		As At 31 March 2022	
	Foreign Denomination	RM Denomination RM'000	Foreign Denomination	RM Denomination RM'000
SHORT TERM				
Unsecured				
Bankers' Acceptances		152,964		174,518
	USD 5,564,340	24,578	USD 1,593,799	6,704
Bank Overdrafts		145		389
	SGD 0	-	SGD 926	3
	THB 10,726	1	THB 0	-
Term Loans		4,043		3,030
Revolving Credit		2,501		2,507
Trust Receipts		7,521		10,287
	SGD 2,264,351	6,368	SGD 3,311,606	5,155
	VND 33,874,852,220	8,347	VND 28,015,816,358	9,286
	THB 64,590,504	<u>206,468</u>	THB 73,533,986	<u>211,879</u>
LONG TERM				
Unsecured				
Term Loans		26,355		13,426
		<u>26,355</u>		<u>13,426</u>
TOTAL BORROWINGS				
Bankers' Acceptances		177,542		181,222
Bank Overdrafts		146		392
Term Loans		30,398		16,456
Revolving Credit		2,501		2,507
Trust Receipts		22,236		24,728
		<u>232,823</u>		<u>225,305</u>

B7. Derivatives Financial Instruments

As at 31 March 2023, 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	3,736	3,747

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 ended 31 March 2023

The Board proposed a final dividend of 1.0 sen per share, single tier, for the financial year ended 31 March 2023 (1.0 sen per share, single tier, in previous corresponding period).

The dividend is subject to the approval by the shareholders at the forthcoming Annual General Meeting and has not been included as liability in the financial statements. The dates of entitlement and payment will be determined at a later stage.

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 :-

	Current Quarter	Current Year To Date
Net profit for the period/year (RM'000)	4,970	10,823
Weighted average number of ordinary shares ('000)	165,240	165,240
Earning per share (sen)	3.01	6.55

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:

	Current Quarter RM'000	Current Year To Date RM'000
Interest income	144	561
Other income including investment income		
- fire insurance compensation	-	826
- consequential loss insurance compensation	-	659
- reversal of impairment loss on receivables	148	1,326
- others	550	1,777
Interest expense	(2,292)	(8,983)
Depreciation	(1,853)	(6,750)
Provision for and write off of receivables	(716)	(876)
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	42	268
Impairment of assets	-	-
Gain/(Loss) on foreign exchange	680	1,320
Gain/(Loss) on derivatives	N/A	N/A