

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FIRST QUARTER ENDED 30 JUNE 2024

	<u>FYE2025</u>	<u>FYE2024</u>	<u>FYE2025</u>	<u>FYE2024</u>
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 30.06.2024	Preceding Year Corresponding Quarter Ended 30.06.2023	Current Year To Date Ended 30.06.2024	Preceding Year Ended 30.06.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	205,596	204,202	205,596	204,202
Profit from Operations	9,470	8,397	9,470	8,397
Interest Income	258	170	258	170
Interest Expense	(2,302)	(2,160)	(2,302)	(2,160)
Depreciation	(1,715)	(1,749)	(1,715)	(1,749)
Profit Before Tax	5,711	4,658	5,711	4,658
Income Tax Expense	(1,383)	(1,134)	(1,383)	(1,134)
Profit After Tax	4,328	3,524	4,328	3,524
Other Comprehensive Income				
Exchange differences on translating foreign operations	(456)	1,816	(456)	1,816
Total Comprehensive Income	3,872	5,340	3,872	5,340
Profit attributable to :				
Owners of the Parent	4,328	3,524	4,328	3,524
Total comprehensive income attributable to :				
Owners of the Parent	3,872	5,340	3,872	5,340
Earning Per Share				
- Basic (sen)	2.62	2.13	2.62	2.13
- Diluted (sen)	2.62	2.13	2.62	2.13

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 2024 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 30 June 2024 RM'000	(Audited) As At 31 March 2024 RM'000
ASSETS		
<u>Non-Current Assets</u>		
Property, plant and equipment	169,578	168,892
Investment properties	33,885	33,999
Inventories	28,485	28,298
Right-of-use assets	20,779	21,572
Goodwill	837	837
Deferred tax assets	119	119
	<u>253,683</u>	<u>253,717</u>
<u>Current Assets</u>		
Inventories	135,301	101,162
Trade receivables	195,602	197,531
Other receivables and prepaid expenses	2,131	4,235
Current tax assets	1,349	1,514
Short term investments	63,406	62,836
Cash and bank balances	14,659	21,993
	<u>412,448</u>	<u>389,271</u>
TOTAL ASSETS	<u>666,131</u>	<u>642,988</u>
EQUITY AND LIABILITIES		
<u>Equity Attributable To Owners Of The Parent</u>		
Share capital	83,097	83,097
Other reserves	67,665	68,121
Retained earnings	218,852	214,524
Total Equity	<u>369,614</u>	<u>365,742</u>
<u>Non-Current Liabilities</u>		
Borrowings	23,366	22,810
Lease liabilities	4,021	4,361
Deferred tax liabilities	13,136	13,205
	<u>40,523</u>	<u>40,376</u>
<u>Current Liabilities</u>		
Trade payables	60,201	46,222
Other payables and accrued expenses	7,892	7,729
Borrowings	183,802	178,985
Lease liabilities	2,531	2,709
Current tax liabilities	1,568	1,225
	<u>255,994</u>	<u>236,870</u>
Total Liabilities	<u>296,517</u>	<u>277,246</u>
TOTAL EQUITY AND LIABILITIES	<u>666,131</u>	<u>642,988</u>
Net tangible assets per share (RM)	2.22	2.20

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2024 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 2023	83,097	65,761	204,635	353,493
Total comprehensive income for the period	-	1,816	3,524	5,340
Balance as at 30 June 2023	<u>83,097</u>	<u>67,577</u>	<u>208,159</u>	<u>358,833</u>
Balance as at 1 April 2024	83,097	68,121	214,524	365,742
Total comprehensive income for the period	-	(456)	4,328	3,872
Balance as at 30 June 2024	<u>83,097</u>	<u>67,665</u>	<u>218,852</u>	<u>369,614</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 2024 and the accompanying explanatory notes to the interim financial reports.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

	Financial Period Ended 30.06.2024 RM'000	Financial Period Ended 30.06.2023 RM'000
Profit for the period	4,328	3,524
Adjustments for : -		
Non-cash items	882	1,234
Non-operating items	2,044	1,990
Taxation	1,383	1,134
<i>Operating profit before changes in working capital</i>	<u>8,637</u>	<u>7,882</u>
Changes in working capital		
Net change in current assets	(30,383)	(3,672)
Net change in current liabilities	14,125	7,781
<i>Cash (used in) / generated from operations</i>	(7,621)	11,991
Interest paid	(4)	(6)
Income tax paid	(871)	(849)
Net cash (used in) / from operating activities	<u>(8,496)</u>	<u>11,136</u>
<i>Cash flows from / (used in) investing activities</i>		
Interest received	258	170
Proceeds from disposal of property, plant and equipment	77	-
Purchase of property, plant and equipment	(1,241)	(601)
Placement of short term investments	(214)	(2,149)
Net cash used in investing activities	<u>(1,120)</u>	<u>(2,580)</u>
<i>Cash flows from / (used in) financing activities</i>		
Proceeds from borrowings	5,134	884
Interest paid	(2,271)	(2,098)
Repayments of lease liabilities	(786)	(795)
Drawdowns/ (Repayments) of term loans	57	(3,472)
Net cash from / (used in) financing activities	<u>2,134</u>	<u>(5,481)</u>
Net Changes in Cash & Cash Equivalents	<u>(7,482)</u>	<u>3,075</u>
Adjustment for foreign exchange differentials	(1)	67
Cash & Cash Equivalents at beginning of financial period	21,960	9,152
Cash & Cash Equivalents at end of financial period	<u><u>14,477</u></u>	<u><u>12,294</u></u>
* Cash and cash equivalents at end of financial period comprise the following :		
Cash and bank balances	14,659	12,640
Less: Bank overdrafts		
(included within short term borrowings in Note B6)	(182)	(346)
	<u><u>14,477</u></u>	<u><u>12,294</u></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2024 and the accompanying explanatory notes to the interim financial reports.

UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

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 2024. 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 2024.

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 2024 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 2024 as follows:

Amendments to MFRS 16 *Lease Liability in a Sales and Leaseback*
Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*
Amendments to MFRS 101 *Non-current Liabilities with Covenants*
Amendments to MFRS 121 *Lack of Exchangeability*
MFRS 18 *Presentation and Disclosure in Financial Statements*
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between and 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 2024. 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 2024 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

There was no dividend payment made in current quarter.

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>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Manufacturing of wood products	42,233	36,978	4,424	4,044
Distributing of wood products	166,582	171,109	8,072	6,734
Other operating segments	<u>3,004</u>	<u>3,046</u>	<u>(3,026)</u>	<u>(2,381)</u>
	211,819	211,133	9,470	8,397
Elimination of inter-segment revenue:				
- Manufacturing of wood products	(950)	(700)		
- Distributing of wood products	(2,572)	(3,531)		
- Other operating segments	<u>(2,701)</u>	<u>(2,700)</u>		
	<u>205,596</u>	<u>204,202</u>	9,470	8,397
Interest income			258	170
Interest expense			(2,302)	(2,160)
Depreciation			<u>(1,715)</u>	<u>(1,749)</u>
Profit before tax			5,711	4,658
Income tax expense			<u>(1,383)</u>	<u>(1,134)</u>
Profit after tax			<u>4,328</u>	<u>3,524</u>
	<u>Assets</u>		<u>Liabilities</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Manufacturing of wood products	132,153	124,903	69,248	63,531
Distributing of wood products	371,170	381,013	187,561	200,728
Other operating segments	<u>161,340</u>	<u>148,090</u>	<u>25,004</u>	<u>19,730</u>
	<u>664,663</u>	<u>654,006</u>	<u>281,813</u>	<u>283,989</u>

A11. Contingent Liabilities

As of 30 June 2024, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 557.18 million (RM 574.65 million as of 31 March 2024) 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 221.65 million as of 30 June 2024 (RM 219.07 million as of 31 March 2024).

A12. Changes in the Composition of the Group

On 22 April 2024, the Company subscribed for the entire ordinary shares in Damai Kempas Sdn Bhd for a total consideration of RM 2 for 2 ordinary shares. Damai Kempas Sdn Bhd is principally involved in investment holding and providing management services. Upon incorporation, Damai Kempas Sdn Bhd became a subsidiary of the Group.

A13. Subsequent Material Events

On 1 August 2024, two wholly-owned subsidiaries of the Company, namely Damai Kempas Sdn Bhd and Damai Estate Sdn Bhd, had entered into a shareholders agreement with TMX International Sdn Bhd to establish a joint venture company ("Favor Topmix (Thailand) Co., Ltd") to operate its principal business of distributing the surface decorative materials in Thailand. Upon incorporation on 15 August 2024, the Group holds 65% of the total issued shares of Favor Topmix (Thailand) Co., Ltd.

On 9 August 2024, the Company subscribed for additional 49,998 ordinary shares in the capital of its wholly-owned subsidiary company, Damai Kempas Sdn Bhd making the total shares now held to be 50,000 ordinary shares of RM 1.00 each.

A14. Capital Commitment

As of 30 June 2024, the Group has the following capital commitments:

	RM'000
Approved and contracted for :	
Acquisition of land	640
Construction of building	3,491
Acquisition of equipment	60
	<u>4,191</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
	30.06.2024	30.06.2023		30.06.2024	30.06.2023	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	205,596	204,202	0.68	205,596	204,202	0.68
Operating Profit	9,470	8,397	12.78	9,470	8,397	12.78
Profit Before Interest and Tax	7,755	6,648	16.65	7,755	6,648	16.65
Profit Before Tax	5,711	4,658	22.61	5,711	4,658	22.61
Profit After Tax	4,328	3,524	22.81	4,328	3,524	22.81
Profit Attributable to Owners of the Parent	4,328	3,524	22.81	4,328	3,524	22.81

For current quarter ended 30 June 2024, the Group recorded revenue of RM 205.60 million. This represents an increase of 0.68% as compared to RM 204.20 million in the preceding year corresponding quarter ended 30 June 2023. Profit before tax increased from RM 4.66 million to RM 5.71 million.

B1. Review of the Performance (continued)Manufacturing Division

Revenue was recorded at RM 41.28 million for current quarter, representing an increase of 13.78% as compared to RM 36.28 million in the preceding year corresponding quarter ended 30 June 2023. The increase in revenue was due to the growth in our customer base. Profit before tax increased from RM 2.99 million to RM 3.39 million, due mainly to higher revenue.

Distribution Division

Revenue was recorded at RM 164.01 million for the current quarter. This represents a decrease of 2.13% as compared to RM 167.58 million in the preceding year corresponding quarter ended 30 June 2023. However, profit before tax increased from RM 4.17 million to RM 5.39 million, due mainly to increased sales of higher margin products.

B2. Variation of Results Against Preceding Quarter

	Current Quarter	Preceding Quarter	Changes
	Ended	Ended	
	30.06.2024	31.03.2024	
	RM'000	RM'000	%
Revenue	205,596	217,677	-5.55
Operating Profit	9,470	11,738	-19.32
Profit Before Interest and Tax	7,755	10,011	-22.54
Profit Before Tax	5,711	8,536	-33.10
Profit After Tax	4,328	5,974	-27.55
Profit Attributable to Owners of the Parent	4,328	5,974	-27.55

For the current quarter under review, the Group's revenue was recorded at RM 205.60 million, representing a decrease of 5.55% as compared to RM 217.68 million in the preceding quarter ended 31 March 2024. Profit before tax decreased from RM 8.54 million to RM 5.71 million. Excluding the fair value adjustment on investment properties of RM 2.07 million and impairment loss on property, plant and equipment of RM 0.52 million recognized in previous quarter, profit before tax decreased from RM 6.99 million to RM 5.71 million, as a result of the continuous rising cost of materials and operating costs.

B3. Prospects

The Board is of the view that the current high freight rate, together with the uncertainty in the global economy, fluctuation in foreign exchange rates and a high interest rate environment will continue to influence the Group's profit performance.

The Group will 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 30 June 2024 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	1,383	1,383
Total Tax Expense	<u>1,383</u>	<u>1,383</u>

B6. Borrowings

The Group's borrowings are as follows :-.

	As At 30 June 2024		As At 31 March 2024	
	Foreign Denomination	RM Denomination RM'000	Foreign Denomination	RM Denomination RM'000
SHORT TERM				
Unsecured				
Bankers' Acceptances		159,694		145,696
	USD 230,947	1,087	USD 335,806	1,585
	GBP 0	-	GBP 1,512,082	9,012
	SGD 0	-	SGD 1,111,136	3,888
Bank Overdrafts	SGD 52,451	182		33
Term Loans		6,342		6,391
Trust Receipts	SGD 1,167,951	4,062	SGD 987,258	3,454
	VND 29,001,827,828	5,380	VND 21,367,276,681	4,060
	THB 54,982,929	7,055	THB 37,491,824	4,866
		<u>183,802</u>		<u>178,985</u>
LONG TERM				
Unsecured				
Term Loans		23,366		22,810
		<u>23,366</u>		<u>22,810</u>
TOTAL BORROWINGS				
Bankers' Acceptances		160,781		160,181
Bank Overdrafts		182		33
Term Loans		29,708		29,201
Trust Receipts		16,497		12,380
		<u>207,168</u>		<u>201,795</u>

B7. Derivatives Financial Instruments

As at 30 June 2024, 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	1,859	1,878

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 DividendFor financial year ended 31 March 2024

A single tier final dividend of 1.0 sen per share, for the financial year ended 31 March 2024 had been declared and approved by the shareholders at the Annual General Meeting held on 26 August 2024. The dividend will be paid on 25 September 2024 to shareholders whose names appear in the Record of Depositors on 6 September 2024.

For financial year ending 31 March 2025

The Board proposed a first interim dividend of 1.0 sen per share, single tier, for the financial year ending 31 March 2025 (1.0 sen per share, single tier, in previous corresponding period) to be paid on 24 October 2024 to shareholders whose names appear in Record of Depositors on 3 October 2024.

Total dividend per share for current financial year-to-date is 1.0 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)	4,328	4,328
Weighted average number of ordinary shares ('000)	165,240	165,240
Earning per share (sen)	2.62	2.62

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	258	258
Other income including investment income		
- Gain on foreign exchange	1,367	1,367
- Fair value gain on short term investments	355	355
- Rental income	292	292
- Reversal of doubtful debts/ bad debts recovered	277	277
- Others	113	113
Interest expense	(2,302)	(2,302)
Depreciation	(1,715)	(1,715)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain/(Loss) on disposal of quoted or unquoted investments	-	-
Loss on disposal of property, plant and equipment	-	-
Impairment of assets	-	-
Loss on foreign exchange	(94)	(94)
Gain/(Loss) on derivatives	-	-