

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

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

	<u>FYE2025</u>	<u>FYE2024</u>	<u>FYE2025</u>	<u>FYE2024</u>
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 30.09.2024	Preceding Year Corresponding Quarter Ended 30.09.2023	Current Year To Date Ended 30.09.2024	Preceding Year Ended 30.09.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	199,569	219,904	405,165	424,106
Profit from Operations	9,517	7,069	18,987	15,466
Interest Income	260	206	518	376
Interest Expense	(2,094)	(2,457)	(4,396)	(4,617)
Depreciation	(1,669)	(1,749)	(3,384)	(3,498)
Profit Before Tax	6,014	3,069	11,725	7,727
Income Tax Expense	(1,408)	(782)	(2,791)	(1,916)
Profit After Tax	4,606	2,287	8,934	5,811
Other Comprehensive Income				
Exchange differences on translating foreign operations	(3,779)	(489)	(4,235)	1,327
Total Comprehensive Income	827	1,798	4,699	7,138
Profit attributable to :				
Owners of the Parent	4,643	2,287	8,971	5,811
Non-Controlling Interest	(37)	-	(37)	-
	4,606	2,287	8,934	5,811
Total comprehensive income attributable to :				
Owners of the Parent	864	1,798	4,736	7,138
Non-Controlling Interest	(37)	-	(37)	-
	827	1,798	4,699	7,138
Earning Per Share				
- Basic (sen)	2.81	1.38	5.43	3.52
- Diluted (sen)	2.81	1.38	5.43	3.52

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 September 2024 RM'000	(Audited) As At 31 March 2024 RM'000
ASSETS		
<u>Non-Current Assets</u>		
Property, plant and equipment	168,967	168,892
Investment properties	32,467	33,999
Inventories	28,658	28,298
Equity investment	318	-
Right-of-use assets	21,401	21,572
Goodwill	837	837
Deferred tax assets	119	119
	<u>252,767</u>	<u>253,717</u>
<u>Current Assets</u>		
Inventories	148,897	101,162
Trade receivables	176,865	197,531
Other receivables and prepaid expenses	2,499	4,235
Current tax assets	802	1,514
Short term investments	63,077	62,836
Cash and bank balances	20,626	21,993
	<u>412,766</u>	<u>389,271</u>
TOTAL ASSETS	<u>665,533</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	63,886	68,121
Retained earnings	221,843	214,524
	<u>368,826</u>	<u>365,742</u>
Non - Controlling Interest	418	-
Total Equity	<u>369,244</u>	<u>365,742</u>
<u>Non-Current Liabilities</u>		
Borrowings	24,815	22,810
Lease liabilities	4,731	4,361
Deferred tax liabilities	12,741	13,205
	<u>42,287</u>	<u>40,376</u>
<u>Current Liabilities</u>		
Trade payables	45,346	46,222
Other payables and accrued expenses	8,752	7,729
Borrowings	195,058	178,985
Lease liabilities	2,997	2,709
Current tax liabilities	1,849	1,225
	<u>254,002</u>	<u>236,870</u>
Total Liabilities	<u>296,289</u>	<u>277,246</u>
TOTAL EQUITY AND LIABILITIES	<u>665,533</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)

	<u>Share Capital</u> RM'000	<u>Other Reserves</u> RM'000	<u>Retained Earnings</u> RM'000	<u>Total</u> RM'000	<u>Non- Controlling Interest</u> RM'000	<u>Total Equity</u> RM'000
Balance as at 1 April 2023	83,097	65,761	204,635	353,493	-	353,493
Total comprehensive income for the period	-	1,327	5,811	7,138	-	7,138
Dividends	-	-	(1,652)	(1,652)	-	(1,652)
Balance as at 30 September 2023	<u>83,097</u>	<u>67,088</u>	<u>208,794</u>	<u>358,979</u>	<u>-</u>	<u>358,979</u>
Balance as at 1 April 2024	83,097	68,121	214,524	365,742	-	365,742
Total comprehensive income for the period	-	(4,235)	8,971	4,736	(37)	4,699
Acquisition of shares in a subsidiary	-	-	-	-	455	455
Dividends	-	-	(1,652)	(1,652)	-	(1,652)
Balance as at 30 September 2024	<u>83,097</u>	<u>63,886</u>	<u>221,843</u>	<u>368,826</u>	<u>418</u>	<u>369,244</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 30.09.2024 RM'000	Financial Period Ended 30.09.2023 RM'000
Profit for the period	8,934	5,811
Adjustments for :-		
Non-cash items	3,044	2,581
Non-operating items	3,878	4,241
Taxation	2,791	1,916
<i>Operating profit before changes in working capital</i>	<u>18,647</u>	<u>14,549</u>
Changes in working capital		
Net change in current assets	(28,773)	(2,915)
Net change in current liabilities	395	15,947
<i>Cash (used in) / generated from operations</i>	(9,731)	27,581
Income tax refunded	-	217
Interest paid	(7)	(9)
Income tax paid	(1,445)	(1,890)
Net cash (used in) / from operating activities	<u>(11,183)</u>	<u>25,899</u>
<i>Cash flows from / (used in) investing activities</i>		
Interest received	518	376
Proceeds from disposal of property, plant and equipment	265	-
Purchase of property, plant and equipment	(936)	(965)
Acquisition of a subsidiary, net of cash	455	-
Increase in other financial asset	(659)	-
Withdrawal/ (Placement) of short term investments	471	(4,820)
Net cash from / (used in) investing activities	<u>114</u>	<u>(5,409)</u>
<i>Cash flows from / (used in) financing activities</i>		
Proceeds from/ (Repayments of) borrowings	18,899	(1,273)
Dividends paid	(1,652)	(1,652)
Interest paid	(4,321)	(4,504)
Cash payments on right-of-use assets	(429)	-
Repayments of lease liabilities	(1,564)	(1,592)
Repayments of term loans	(943)	(4,462)
Net cash from / (used in) financing activities	<u>9,990</u>	<u>(13,483)</u>
Net Changes in Cash & Cash Equivalents	<u>(1,079)</u>	<u>7,007</u>
Adjustment for foreign exchange differentials	(256)	60
Cash & Cash Equivalents at beginning of financial period	<u>21,960</u>	<u>9,152</u>
Cash & Cash Equivalents at end of financial period	<u><u>20,625</u></u>	<u><u>16,219</u></u>
* Cash and cash equivalents at end of financial period comprise the following :		
Cash and bank balances	20,626	16,220
Less: Bank overdrafts		
(included within short term borrowings in Note B6)	(1)	(1)
	<u>20,625</u>	<u>16,219</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 SEPTEMBER 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

A single tier final dividend of 1.0 sen per share, for the financial year ended 31 March 2024, amounting to RM 1,652,402, was paid by the Company on 25 September 2024.

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	80,500	72,986	7,918	7,411
Distributing of wood products	331,121	358,787	16,790	12,780
Other operating segments	<u>6,082</u>	<u>5,948</u>	<u>(5,721)</u>	<u>(4,725)</u>
	417,703	437,721	18,987	15,466
Elimination of inter-segment revenue:				
- Manufacturing of wood products	(1,779)	(1,559)		
- Distributing of wood products	(5,358)	(6,656)		
- Other operating segments	<u>(5,401)</u>	<u>(5,400)</u>		
	<u>405,165</u>	<u>424,106</u>	18,987	15,466
Interest income			518	376
Interest expense			(4,396)	(4,617)
Depreciation			<u>(3,384)</u>	<u>(3,498)</u>
Profit before tax			11,725	7,727
Income tax expense			<u>(2,791)</u>	<u>(1,916)</u>
Profit after tax			<u>8,934</u>	<u>5,811</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	124,240	117,715	61,472	57,882
Distributing of wood products	378,211	388,900	194,697	210,453
Other operating segments	<u>162,161</u>	<u>150,991</u>	<u>25,530</u>	<u>19,202</u>
	<u>664,612</u>	<u>657,606</u>	<u>281,699</u>	<u>287,537</u>

A11. Contingent Liabilities

As of 30 September 2024, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 550.02 million (RM 557.18 million as of 30 June 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 232.31 million as of 30 September 2024 (RM 221.65 million as of 30 June 2024).

A12. Changes in the Composition of the Group

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.

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 September 2024, the Group has the following capital commitments:

	RM'000
Approved and contracted for :	
Acquisition of land	640
Construction of building	2,608
Acquisition of forklift and equipment	313
	<u>3,561</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
	30.09.2024	30.09.2023		30.09.2024	30.09.2023	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	199,569	219,904	-9.25	405,165	424,106	-4.47
Operating Profit	9,517	7,069	34.63	18,987	15,466	22.77
Profit Before Interest and Tax	7,848	5,320	47.52	15,603	11,968	30.37
Profit Before Tax	6,014	3,069	95.96	11,725	7,727	51.74
Profit After Tax	4,606	2,287	101.40	8,934	5,811	53.74
Profit Attributable to Owners of the Parent	4,643	2,287	103.02	8,971	5,811	54.38

For current quarter ended 30 September 2024, the Group recorded revenue of RM 199.57 million. This represents a decrease of 9.25% as compared to RM 219.90 million in the preceding year corresponding quarter ended 30 September 2023. Profit before tax increased from RM 3.07 million to RM 6.01 million.

The Group's revenue for the current year to date ended 30 September 2024 decreased 4.47%, from RM 424.11 million to RM 405.17 million. Profit before tax increased 51.74%, from RM 7.73 million to RM 11.73 million.

B1. Review of the Performance (continued)Manufacturing Division

Revenue was recorded at RM 37.44 million for current quarter, representing an increase of 6.51% as compared to RM 35.15 million in the preceding year corresponding quarter ended 30 September 2023. The increase in revenue was due to the growth in our customer base. Profit before tax increased from RM 2.32 million to RM 2.55 million, due mainly to higher revenue.

Revenue was recorded at RM 78.72 million for the six months ended 30 September 2024. This represents an increase of 10.21% as compared to RM 71.43 million in the preceding year ended 30 September 2023. Profit before tax increased 12.05%, from RM 5.31 million to RM 5.95 million.

Distribution Division

Revenue was recorded at RM 161.75 million for the current quarter. This represents a decrease of 12.35% as compared to RM 184.55 million in the preceding year corresponding quarter ended 30 September 2023. However, profit before tax increased from RM 3.18 million to RM 6.22 million, due mainly to increased sales of higher margin products.

Revenue was recorded at RM 325.76 million for the six months ended 30 September 2024. This represents a decrease of 7.49% as compared to RM 352.13 million in the preceding year ended 30 September 2023. However, profit before tax increased 57.96%, from RM 7.35 million to RM 11.61 million.

B2. Variation of Results Against Preceding Quarter

	Current Quarter	Preceding Quarter	Changes
	Ended	Ended	
	30.09.2024	30.06.2024	
	RM'000	RM'000	%
Revenue	199,569	205,596	-2.93
Operating Profit	9,517	9,470	0.50
Profit Before Interest and Tax	7,848	7,755	1.20
Profit Before Tax	6,014	5,711	5.31
Profit After Tax	4,606	4,328	6.42
Profit Attributable to Owners of the Parent	4,643	4,328	7.28

For the current quarter under review, the Group's revenue was recorded at RM 199.57 million, representing a decrease of 2.93% as compared to RM 205.60 million in the preceding quarter ended 30 June 2024. However, profit before tax increased from RM 5.71 million to RM 6.01 million.

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 September 2024 as follows:

<u>Tax Expense :</u>	Current Quarter <u>RM'000</u>	Year To Date <u>RM'000</u>
Current Tax Expense :		
Current Quarter/Year	1,408	2,791
Total Tax Expense	<u>1,408</u>	<u>2,791</u>

B6. Borrowings

The Group's borrowings are as follows :-.

	As At 30 September 2024		As At 31 March 2024	
	Foreign Denomination	RM Denomination RM'000	Foreign Denomination	RM Denomination RM'000
SHORT TERM				
Unsecured				
Bankers' Acceptances		169,557		145,696
	USD 547,951	2,414	USD 335,806	1,585
	GBP 84,507	480	GBP 1,512,082	9,012
	SGD 0	-	SGD 1,111,136	3,888
Bank Overdrafts		1		33
Term Loans		4,753		6,391
Trust Receipts	SGD 1,287,047	4,145	SGD 987,258	3,454
	VND 25,012,229,033	4,202	VND 21,367,276,681	4,060
	THB 74,253,160	9,506	THB 37,491,824	4,866
		<u>195,058</u>		<u>178,985</u>
LONG TERM				
Unsecured				
Term Loans		24,815		22,810
		<u>24,815</u>		<u>22,810</u>
TOTAL BORROWINGS				
Bankers' Acceptances		172,451		160,181
Bank Overdrafts		1		33
Term Loans		29,568		29,201
Trust Receipts		17,853		12,380
		<u>219,873</u>		<u>201,795</u>

B7. Derivatives Financial Instruments

As at 30 September 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	9,552	9,335

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 2025

The Board proposed a second 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 20 December 2024 to shareholders whose names appear in Record of Depositors on 11 December 2024.

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 :-

	Current Quarter	Current Year To Date
Net profit for the period/year (RM'000)	4,643	8,971
Weighted average number of ordinary shares (*000)	165,240	165,240
Earning per share (sen)	2.81	5.43

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	260	518
Other income including investment income		
- Gain on foreign exchange	2,899	4,266
- Fair value gain on short term investments	356	711
- Rental income	298	590
- Reversal of doubtful debts/ bad debts recovered	291	568
- Others	244	357
Interest expense	(2,094)	(4,396)
Depreciation	(1,669)	(3,384)
Provision for and write off of receivables	(751)	(751)
Provision for and write off of inventories	(302)	(302)
Gain/(Loss) on disposal of quoted or unquoted investments	-	-
Fair value loss on other financial asset	(316)	(316)
Loss on disposal of property, plant and equipment	-	-
Impairment of assets	-	-
Loss on foreign exchange	(45)	(139)
Gain/(Loss) on derivatives	-	-