

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**  
**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134, “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities) and Issuers Communication No. 1/2017 – Guidance on Disclosures in Notes to Quarterly Report issued by Bursa Securities. This interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019.

**A2. Adoption of Revised Financial Reporting**

The accounting policies and presentation adopted for the interim financial statements are consistent with those adopted for the annual financial statements for the year ended 31 December 2019, except for the adoption of the following Amendments and Annual improvement to Standards that came into effect for periods beginning on or after :-

1 January 2020

- Amendments to MFRS 3: Definition of a Business
- Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform
- Amendments to MFRS 101 and MFRS 108: Definition of Material
- Amendments to References to the Conceptual Framework in MFRS Standards

1 June 2020

- Amendments to MFRS 16: COVID-19-Related Rent Concessions

The initial applications of the above do not have any material financial impacts to the financial statements of the Group.

The following Standards were issued but not yet effective and have not been adopted by the Group:

<b>MFRSs and IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

**A3. Auditors’ Report on Preceding Annual Financial Statements**

The preceding annual financial statements of the Group were reported on without any qualification.

**A4. Comments about Seasonal or Cyclical Factors**

The business of the Group is not affected by any significant seasonal or cyclical factors.

**A5. Changes in Estimates**

There was no significant change in estimates of amounts reported in prior financial years which have a material effect in the current quarter and year ended 31 December 2020.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**

**A6. Unusual Items due to their Nature, Size or Incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flow during the current quarter and year ended 31 December 2020.

**A7. Dividend**

The dividend paid in the current quarter and year ended 31 December 2020 is disclosed in Note B12.

**A8. Valuation of Property, Plant and Equipment**

The Group did not revalue any of its property, plant and equipment for the current quarter and year ended 31 December 2020.

**A9. Debt and Equity Securities**

During the current quarter and year ended 31 December 2020, the Company has:

- (a) Issued new ordinary shares arising from the exercise of options under the Company's Employees' Share Option Scheme ("ESOS") as follows:-

	Issue Price per share	Current Year Quarter Ended 31 December 2020 No of shares	Current Year Ended 31 December 2020 No of shares
	RM		
Exercise of ESOS	0.170	1,140,000	8,140,000
Exercise of ESOS	0.250	-	162,500
Exercise of ESOS	0.280	1,388,300	6,381,600
Exercise of ESOS	0.300	7,223,000	10,614,000
Exercise of ESOS	0.495	1,195,000	3,245,000
Exercise of ESOS	0.725	5,826,600	6,398,100
Total		16,772,900	34,941,200

The new ordinary shares rank pari passu with the existing ordinary shares of the Company.

Other than the above, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity security during the current quarter and year ended 31 December 2020.

**A10. Segmental Information**

The Group operates primarily in the semiconductor industry. Geographical segmental information is as follows:

<b>Current Year Year-To-Date 31 December 2020</b>	<b>Asia RM'000</b>	<b>Europe RM'000</b>	<b>USA RM'000</b>	<b>Others RM'000</b>	<b>Group RM'000</b>
Revenue	398,509	119,344	41,538	16,390	575,781
Segment assets	720,956	42,768	6,439	-	770,163
Capital expenditure	71,825	150	7	-	71,982
	71,825	150	7	-	71,982
<b>Preceding Year Year-To-Date 31 December 2019</b>	<b>Asia RM'000</b>	<b>Europe RM'000</b>	<b>USA RM'000</b>	<b>Others RM'000</b>	<b>Group RM'000</b>
Revenue	335,363	104,475	49,168	15,299	504,305
Segment assets	596,463	35,784	2,766	-	635,013
Capital expenditure	75,853	9	3	-	75,865
	75,853	9	3	-	75,865

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**

**A11. Changes in the Composition of the Group**

There were no changes in the composition of the Group for the current quarter and year ended 31 December 2020 except for:

Incorporation of a new subsidiary, Dominant Technologies (Taiwan) Co. Ltd.

The Company had on 13 May 2020 through Dominant Technologies Sdn Bhd (“DTSB”), incorporated a new subsidiary known as, 台湾统明亮科技有限公司 or Dominant Technologies (Taiwan) Co. Ltd (“Dominant Taiwan”). Dominant Taiwan was incorporated in Taiwan, Republic of China under the Taiwan Company Act. The intended business activities of Dominant Taiwan are design, develop and wholesale of integrated circuits chips for LED applications.

**A12. Capital Commitments**

Capital commitments authorised but not provided for in the financial statements are as follows:

	<b>As at 31 December 2020 RM'000</b>	<b>As at 31 December 2019 RM'000</b>
Purchase of property, plant and equipment	<u>60,696</u>	<u>26,524</u>

**A13. Changes in Contingent Liabilities or Contingent Assets**

There were no contingent liabilities or contingent assets as at 31 December 2020.

**A14. Significant Event During the Reporting Period**

There was no significant event during the financial period reported, except for:

Movement Control Order (“MCO”)

The Malaysia government implemented Movement Control Order (MCO) on 18 March 2020 in response to the Covid-19 pandemic in the country. Dominant operated at approximately 20% capacity from 21 March 2020 until a new approval was granted on 9 April 2020 from MITI to allow Dominant to operate at 50% installed capacity. Subsequently, Dominant was allowed to operate at full capacity starting from 29 April 2020. The underutilisation of capacity during these periods have adversely impacted the Group's revenue as well as costs of production.

**A15. Significant Events After the Reporting Period**

There was no significant event subsequent to the end of the financial period reported up to 18 February 2021, the latest practicable date which is not earlier than 7 days from the date of issue of these financial statements.

**A16. Significant Related Party Transaction**

The Group carried out the following significant transactions with related parties during the current quarter and year ended 31 December 2020.

	<b>Current Year Quarter Ended 31 December 2020 RM'000</b>	<b>Preceding Year Quarter Ended 31 December 2019 RM'000</b>	<b>Current Year Ended 31 December 2020 RM'000</b>	<b>Preceding Year Ended 31 December 2019 RM'000</b>
Purchases	53,475	36,105	150,717	122,733
Rental	<u>57</u>	<u>47</u>	<u>208</u>	<u>167</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020  
PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD  
LISTING REQUIREMENTS

B1. Operating Segment review

4Q Year-on-Year Earnings Performance Review

	Current Year Quarter Ended 31 December 2020 (RM mil)	Preceding Year Quarter Ended 31 December 2019 (RM mil)	% Change
<b>Revenue</b>			
- Automotive	206.35	146.46	40.9%
- Non-Automotive	3.22	4.01	-19.7%
	<b>209.57</b>	<b>150.47</b>	<b>39.3%</b>
Gross Profit	62.24	44.69	39.3%
<i>Gross margin</i>	<b>29.7%</b>	<b>29.7%</b>	
Net Other Income/(Expense)	0.87	(3.05)	-128.5%
Distribution expenses	(3.04)	(2.70)	12.6%
Administrative expenses	(13.02)	(13.16)	-1.1%
R&D expenses	(6.66)	(5.75)	15.8%
Finance costs	(0.56)	(1.07)	-47.7%
<b>PBT</b>	<b>39.83</b>	<b>18.96</b>	<b>110.1%</b>
Income Tax	(6.05)	(3.44)	75.9%
<b>Net Profit</b>	<b>33.78</b>	<b>15.52</b>	<b>117.7%</b>
<b>Significant other income/(expense) items</b>			
Foreign exchange gain/(loss)	3.93	2.49	57.8%
ESOS	(0.12)	(1.18)	-89.8%
Dividend income	1.79	-	NM
Inventory impairment	(4.14)	(2.82)	46.8%

Despite a generally weak global economic environment, Group revenue in the current quarter rose 39.3% year-on-year to RM209.6 million, led by the automotive sector which grew 40.9% to a record level of RM206.4 million. Automotive earnings were bolstered by increased demand from commercialisation of new business wins and a general recovery in the automotive industry.

Gross profit margin was stable at 29.7%. Accordingly, gross profit increased 39.3% to RM62.2 million. Results from operating activities before other income/expenses and finance costs increased 71.2% to RM39.5 million on slower rate of increase in SG&A and R&D expenses.

Other net income/expense swung from a loss of RM3.1 million to a profit of RM0.9 million as a result of higher foreign exchange gain, higher dividend income and lower ESOS expense, partially offset by higher inventory impairment charges. Together with lower finance costs, pre-tax profit expanded at a faster pace of 110.1% to RM39.8 million.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

B1. Operating Segment review (Cont'd)

12-month Year-on-Year Earnings Performance Review

	Current Year Ended 31 December 2020 (RM mil)	Preceding Year Ended 31 December 2019 (RM mil)	% Change
<b>Revenue</b>			
- Automotive	562.59	490.27	14.8%
- Non-Automotive	13.19	14.04	-6.1%
	<b>575.78</b>	<b>504.31</b>	<b>14.2%</b>
Gross Profit	157.99	140.93	12.1%
<i>Gross margin</i>	<b>27.4%</b>	<b>27.9%</b>	
Net Other Expense	(6.39)	(12.40)	-48.5%
Distribution expenses	(8.09)	(7.39)	9.5%
Administrative expenses	(50.71)	(48.17)	5.3%
R&D expenses	(23.59)	(22.51)	4.8%
Finance costs	(2.88)	(3.39)	-15.0%
<b>PBT</b>	<b>66.33</b>	<b>47.07</b>	<b>40.9%</b>
Income Tax	(10.96)	(8.01)	36.8%
<b>Net Profit</b>	<b>55.37</b>	<b>39.06</b>	<b>41.8%</b>
<b>Significant other income/(expense) items</b>			
Foreign exchange loss	3.44	1.90	81.1%
ESOS	(0.92)	(5.62)	-83.6%
Customer compensation	(1.36)	(0.51)	166.7%
Inventory impairment	(9.55)	(7.85)	21.7%
Dividend income	2.30	0.26	784.6%

Despite a 14% decline in global car sales in 2020 and a weak first half earnings performance, Group revenue registered a 14.2% growth to RM575.8 million for the full year, bolstered by strong sales recovery in the second half of 2020.

Average gross profit margin in 2020 was lower at 27.4% when compared to 27.9% in 2019 mainly due to capacity under-utilisation during the MCO period in 1H2020. Accordingly, gross profit grew 12.1% to RM158.0 million, underpinned by higher revenue. Results from operating activities before other expense and finance costs increased at a faster pace at 20.3% to RM75.6 million mainly due to slower increases in operating expenses.

Profit before tax expanded at a sharper rate of 40.9% to RM66.3 million on higher foreign exchange gain, higher dividend income, lower ESOS expenses and lower finance costs, partially offset by higher inventory impairment charges and customer compensation.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**

**B1. Operating Segment review (Cont'd)**

**Changes in key Balance Sheet items during the 12-months period**

	As At 31 December 2020 (RM mil)	As At 31 December 2019 (RM mil)	Explanation
<b>Non-Current Assets</b>			
Property, Plant and Equipment	255.41	222.16	RM72.0 million was spent on capital expenditure to expand production capacity, improve machine efficiencies and quality control, plant automation and construction of new factory, partially offset by RM38.6 million depreciation charge.
<b>Current Assets</b>			
Inventories	179.58	151.64	Increase was due to higher minimum stock level (“MSL”) for key materials and strong order book in 1Q2021.
Trade Receivables	176.37	117.24	Increase was due to higher revenue in 4Q2020 when compared to 4Q2019
<b>Current Liabilities</b>			
Trade Payables	171.33	113.93	Increase was mainly attributable to increase in raw material purchases and CAPEX spending to support higher production output

**Cash flow analysis for 12-month period ended 31 December 2020**

The Group generated RM113.7 million cash inflow from its operations before taking account changes in working capital (2019: RM98.7 million). After factoring in changes in working capital, interests and income tax payments, operational cash inflow was reduced to RM67.8 million, representing a 32.2% increase from 2019. A higher working capital requirement was necessary to support increasing sales revenue.

In 2020, the Group spent RM71.9 million on capital expenditure and RM11.7 million on dividend payments to shareholders of the Company and minority shareholders of a subsidiary. The cash outflow from investing activities was partially financed by additional banking facilities and RM12.6 million proceeds from the exercise of ESOS. The Group’s net debt position improved from RM37.4 million to RM36.7 million, representing a net-debt-to-equity ratio of 8.1%.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**

**B2. Material Changes In The Quarterly Result As Compared To The Result of The Preceding Quarter**

	<b>Current Year Quarter Ended 31 December 2020 (RM mil)</b>	<b>Current Year Quarter Ended 30 September 2020 (RM mil)</b>	<b>% Change</b>
<b>Revenue</b>			
- Automotive	206.35	154.94	33.2%
- Non-Automotive	3.22	3.92	-17.9%
	<b>209.57</b>	<b>158.86</b>	<b>31.9%</b>
Gross Profit	62.24	44.34	40.4%
<i>Gross margin</i>	<b>29.7%</b>	<b>27.9%</b>	
Net Other Income/(Expense)	0.87	(0.85)	-202.4%
Distribution expenses	(3.04)	(2.29)	32.8%
Administrative expenses	(13.02)	(13.73)	-5.2%
R&D expenses	(6.66)	(6.80)	-2.1%
Finance costs	(0.56)	(0.64)	-12.5%
<b>PBT</b>	<b>39.83</b>	<b>20.03</b>	<b>98.9%</b>
Income Tax	(6.05)	(3.60)	68.1%
<b>Net Profit</b>	<b>33.78</b>	<b>16.43</b>	<b>105.6%</b>
<b>Significant other income/(expense) items</b>			
Foreign exchange gain/(loss)	3.93	2.51	56.6%
ESOS	(0.12)	(0.27)	-55.6%
Inventory impairment	(4.14)	(3.41)	21.4%
Dividend income	1.79	0.51	251.0%

When compared to the preceding quarter, automotive revenue increased 33.2% to RM206.4 million, while non-automotive revenue weakened 17.9% sequentially to RM3.2 million. Overall Group revenue rose 31.9% quarter-on-quarter to RM209.6 million.

Gross profit margin rose from 27.9% to 29.7% mainly as a result of production efficiency gains and tighter control over factory overheads. With higher revenue and gross profit margin, coupled with stable operating expenses, operating profit before other income/expense and finance costs rose 83.6% to RM39.5 million.

Other income/expense swung from a net expense of RM0.9 million in 3Q2020 to a net income of RM0.9 million in the current quarter under review mainly due to higher dividend income and higher FOREX gain, partially offset by higher inventory impairment.

The combined effects of the above resulted in the Group profit before tax rising 98.9% to RM39.8 million.

**B3. Commentary on Prospects**

According to IHS Markit, global new light vehicle sales are projected to grow 9% year-on-year in 2021 to 83.4 million units after dipping about 14% in 2020 as the automotive industry emerges from the fallout effects of the COVID-19 pandemic. Notably, the electric vehicle (EV) market is expected to continue to benefit from favourable government policies and support. Based on forecast by MarketsandMarkets™, EV sales is forecast to grow at a 21.1% compound annual growth rate (CAGR) to reach 27.0 million vehicles in 2030 (2019: 3.3 million units).

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**

**B3. Commentary on Prospects (Cont'd)**

With a comprehensive product portfolio and traction gained with Tier 1 automotive customers, Dominant is well positioned to benefit from this burgeoning trend. Management is optimistic the Group will be able to achieve sustainable earnings growth in 2021.

**B4. Profit Forecast or Profit Guarantee**

The Group did not issue any profit forecast or profit guarantee.

**B5. Income Tax Expense**

	<b>Current Year Quarter Ended 31 December 2020 RM'000</b>	<b>Preceding Year Quarter Ended 31 December 2019 RM'000</b>	<b>Current Year Ended 31 December 2020 RM'000</b>	<b>Preceding Year Ended 31 December 2019 RM'000</b>
Current tax	3,120	1,531	8,406	5,659
Withholding tax on dividend received	34	-	34	32
Over provision in prior year	(247)	-	(247)	(790)
Deferred tax	3,143	1,908	2,768	3,112
	<u>6,050</u>	<u>3,439</u>	<u>10,961</u>	<u>8,013</u>

The effective tax rate for the current quarter and year ended was lower than the Malaysia statutory tax rate of 24% mainly due to capital allowances and reinvestment allowance.

**B6. Unquoted Investments**

Details of investment in unquoted investments are as follows:

*Other unquoted investments*

	<b>As At 31 December 2020 RM'000</b>	<b>As At 31 December 2019 RM'000</b>
Investment in unquoted shares (outside Malaysia)		
At the beginning of year, at fair value	-	5,123
Fair value adjustment	-	(5,123)
At the end of the year, at fair value	<u>-</u>	<u>-</u>



**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**

**B7. Borrowings**

The Group's borrowings are as follows:

		<b>As at 31 December 2020</b>					
		<b>Long term</b>		<b>Short term</b>		<b>Total borrowings</b>	
		Foreign denomination <b>RM'000</b>	RM denomination <b>RM'000</b>	Foreign denomination <b>RM'000</b>	RM denomination <b>RM'000</b>	Foreign denomination <b>RM'000</b>	RM denomination <b>RM'000</b>
<b>Secured:</b>	<b>Exchange rate*</b>						
<i>Term Loan</i>							
-USD	4.02	32,339	-	22,497	-	54,636	-
-EURO	4.94	-	-	3,459	-	3,459	-
-RM		-	16,453	-	6,567	-	23,020
<i>Revolving Credit</i>		-	-	-	803	-	803
<i>Bankers acceptances</i>							
-USD	4.02	-	-	27,518	-	27,518	-
		<b>32,339</b>	<b>16,453</b>	<b>53,474</b>	<b>7,370</b>	<b>85,613</b>	<b>23,823</b>
Sub-total			<b>48,792</b>		<b>60,844</b>		<b>109,436</b>

  

		<b>As at 31 December 2019</b>					
		<b>Long term</b>		<b>Short term</b>		<b>Total borrowings</b>	
		Foreign denomination <b>RM'000</b>	RM denomination <b>RM'000</b>	Foreign denomination <b>RM'000</b>	RM denomination <b>RM'000</b>	Foreign denomination <b>RM'000</b>	RM denomination <b>RM'000</b>
<b>Secured:</b>	<b>Exchange rate*</b>						
<i>Term loan</i>							
-USD	4.09	22,342	-	26,781	-	49,123	-
-EURO	4.59	-	-	3,213	-	3,213	-
-RM		-	15,007	-	6,835	-	21,842
<i>Revolving credit</i>		-	-	-	2,000	-	2,000
<i>Bankers acceptances</i>							
-USD	4.09	-	-	22,931	-	22,931	-
		<b>22,342</b>	<b>15,007</b>	<b>52,925</b>	<b>8,835</b>	<b>75,267</b>	<b>23,842</b>
Sub-total			<b>37,349</b>		<b>61,760</b>		<b>99,109</b>

\*The foreign exchange rate used is expressed on the basis of one unit of foreign currency to Ringgit Malaysia equivalent for the translation of the foreign currency balances at the end of the reporting period.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

**B8. Earnings per Share**

1. *Basic*

	<b>Current Year Quarter Ended 31 December 2020</b>	<b>Preceding Year Quarter Ended 31 December 2019</b>	<b>Current Year Ended 31 December 2020</b>	<b>Preceding Year Ended 31 December 2019</b>
<b>Continuing operations</b>				
Profit after taxation (RM'000)	33,782	15,521	55,375	39,057
Non-controlling interests (RM'000)	(3,462)	(1,668)	(5,723)	(4,186)
Profit attributable to Owners of the Company (RM'000)	30,320	13,853	49,652	34,871
Dividend on ICPS (RM'000)	(2,451)	(1,885)	(2,451)	(3,771)
	<u>27,869</u>	<u>11,968</u>	<u>47,201</u>	<u>31,100</u>
Weighted average number of ordinary shares:-				
Issued ordinary shares at 1 January ('000)	1,119,001	1,102,434	1,119,001	1,102,434
Effect of new ordinary shares issued under ESOS ('000)	27,278	12,616	14,096	7,214
Weighted average number of ordinary shares for the period (‘000)	<u>1,146,279</u>	<u>1,115,050</u>	<u>1,133,097</u>	<u>1,109,648</u>
Basic earnings per share (sen)	<u>2.43</u>	<u>1.07</u>	<u>4.17</u>	<u>2.80</u>

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**

**B8. Earnings per Share (Cont'd)**

2. *Diluted*

	<b>Current Year Quarter Ended 31 December 2020</b>	<b>Preceding Year Quarter Ended 31 December 2019</b>	<b>Current Year Ended 31 December 2020</b>	<b>Preceding Year Ended 31 December 2019</b>
<b>Continuing operations</b>				
Profit attributable to Owners of the Company (RM'000) (as above)	30,320	13,853	49,652	34,871
Weighted average number of ordinary shares for the period ('000) (as above)	1,146,279	1,115,050	1,133,097	1,109,648
Weighted average number of shares deemed to have been issued under ESOS at no consideration ('000)	17,410	26,359	17,410	26,359
Weighted average number of shares deemed to have been issued under ICPS at no consideration ('000)	377,074	377,074	377,074	377,074
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	1,540,763	1,518,482	1,527,581	1,513,081
Diluted earnings per share (Sen)	1.97	0.91	3.25	2.31

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**

**B9. Detailed Disclosure for Statement of Comprehensive Income**

	<b>Current Year Quarter Ended 31 December 2020 RM'000</b>	<b>Preceding Year Quarter Ended 31 December 2019 RM'000</b>	<b>Current Year Ended 31 December 2020 RM'000</b>	<b>Preceding Year Ended 31 December 2019 RM'000</b>
<b>After crediting:</b>				
Interest income	84	102	445	291
Gain on foreign exchange	3,929	2,492	3,444	1,903
Reversal for impairment losses on trade receivables	174	130	174	130
<b>After debiting:</b>				
Allowance for impairment losses on trade receivables	293	232	293	232
Amortisation of intangible assets	279	885	1,075	1,047
Depreciation	10,076	9,092	38,640	35,216
Depreciation on right-of-use assets	280	541	1,186	1,140
Interest expense	401	949	2,432	2,851
Interest expense on lease liabilities	29	37	91	70
Inventories written down	4,143	2,820	9,549	7,846
(Gain)/Loss on disposal of property, plant and equipment	(3)	(3)	114	(18)
Property, plant and equipment written off	2	300	54	542

The company and the group do not have the following items for the respective period:

- a) gain or loss on disposal of quoted investments; and
- b) gain or loss on marketable securities

**B10. Corporate Proposals**

There was no corporate proposal announced but not completed as at 18 February 2021, the latest practicable date which is not earlier than 7 days from the date of issue of these financial statements.

**B11. Off Balance Sheet Financial Instruments**

There was no financial instrument with off balance sheet risk as at 18 February 2021, the latest practicable date which is not earlier than 7 days from the date of issue of these financial statements.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**

**B12. Dividend**

*Ordinary Shares*

The first interim dividend of 0.65 sen per ordinary share for the financial year ended 31 December 2020 (2019: first and second interim dividend - 1.0 sen per ordinary shares) was paid on 28 December 2020.

*Irredeemable Convertibles Preference Shares (“ICPS”)*

The first interim dividend of 0.65 sen per ICPS for the financial year ended 31 December 2020 (2019: first and second interim dividend - 1.0 sen per ICPS) was paid on 28 December 2020, based on the terms of the ICPS.

**B13. Material Litigation**

The Group is not involved in any material litigation as at the date of this report.

**B14. Authorisation for Issue**

The Board of Directors of D & O approved this interim financial report announcement to the Bursa Malaysia at the Board meeting held on 24 February 2021.