

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022
PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of Preparation

These condensed consolidated 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 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad. This interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021.

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 2021, 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 2022:-

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
Annual Improvements to MFRS Standards 2018 – 2020

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:

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
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 17: Initial Application of MFRS 17 and MFRS 9 Comparative Information	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023

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 period ended 30 June 2022.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022

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 period ended 30 June 2022.

A7. Dividend

The dividend paid during the quarter and period ended 30 June 2022 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 period ended 30 June 2022.

A9. Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity security during the current quarter and period ended 30 June 2022.

A10. Segmental Information

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

Current Year Year-To-Date 30 June 2022	Asia RM'000	Europe RM'000	USA RM'000	Others RM'000	Group RM'000
Revenue	338,099	101,202	32,769	11,597	483,667
Segment assets	1,380,362	67,981	2,535	-	1,450,878
Capital expenditure	<u>104,611</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,611</u>
Preceding Year Year-To-Date 30 June 2021	Asia RM'000	Europe RM'000	USA RM'000	Others RM'000	Group RM'000
Revenue	290,259	85,233	28,424	10,388	414,304
Segment assets	816,086	52,468	2,426	-	870,980
Capital expenditure	<u>65,666</u>	<u>19</u>	<u>-</u>	<u>-</u>	<u>65,685</u>

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter and period ended 30 June 2022.

A12. Capital Commitments

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

	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
Purchase of property, plant and equipment	<u>111,536</u>	<u>91,059</u>

A13. Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets as at 30 June 2022.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022

A14. Significant Events During the Reporting Period

The significant events during the current quarter and period ended 30 June 2022 are as follows:

D&O has adopted the following multiple proposals which were approved by the shareholders on 8th June 2022:

- (a) Establishment of an Employees’ Share Option Scheme (“ESOS” or “Scheme”) of up to 2% of the total number of issued shares of D&O at any point in time during the duration of the Scheme. The effective date for the implementation of the Scheme was 15 June 2022, being the date on which the Company fully complies with the requirements under Paragraph 6.43(1) of the Listing Requirements.
- (b) Authority to purchase up to 10% of its issued shares through stockbroker(s) to be appointed at a later date subject to compliance with Sections 112, 113 and 127 of the Company Act 2016, the Listing Requirements and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities (“Share Buy-Back”).
- (c) Issuance and allotment of new ordinary shares in wholly-owned subsidiaries of D&O, namely Dominant Electronics Sdn Bhd (“DESB”) and Dominant Technologies Sdn Bhd (“DTSB”) to Tay Kheng Chiong and Low Tek Beng.

The Subsidiaries, namely DESB and DTSB had on 31 March 2022, entered into 2 respective conditional subscription agreements for the issue and allotment of new ordinary shares in the respective Subsidiaries to the following parties:

(i) DESB

Tay Kheng Chiong and Low Tek Beng for the proposed issue and allotment of 583,691 new ordinary shares in DESB at an issue price of RM0.38 per DESB Share; and

(ii) DTSB

Tay Kheng Chiong and Low Tek Beng for the proposed issue and allotment of 841,092 new ordinary shares in DTSB at an issue price of RM0.38 per DTSB Share.

A15. Significant Event After the Reporting Period

There was no significant event subsequent to the end of the financial period reported up to 17 August 2022.

A16. Significant Related Party Transaction

The Group carried out the following significant transactions with related parties during the current quarter and period ended 30 June 2022.

	Current Year Quarter Ended 30 June 2022 RM'000	Preceding Year Quarter Ended 30 June 2021 RM'000	Current Year Period Ended 30 June 2022 RM'000	Preceding Year Period Ended 30 June 2021 RM'000
Purchases	64,525	69,083	128,861	128,135
Rental	59	57	118	114

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022
PART B: ADDITIONAL DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA
MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS

B1. Operating Segment review

2Q Year-on-Year Earnings Performance Review

	Current Year	Preceding Year	
	Quarter Ended	Quarter Ended	
	30 June 2022	30 June 2021	% Change
	(RM mil)	(RM mil)	
Revenue			
- Automotive	234.58	203.85	15.1%
- Non-Automotive	7.48	4.79	56.2%
	242.06	208.64	16.0%
Gross Profit	67.56	63.79	5.9%
<i>Gross margin</i>	27.9%	30.6%	
Net other expense	(19.29)	(2.88)	569.8%
Distribution expenses	(2.66)	(1.81)	47.0%
Administrative expenses	(15.24)	(14.95)	1.9%
R&D expenses	(8.50)	(6.67)	27.4%
Finance costs	(1.29)	(0.50)	158.0%
Share of results of Joint Venture	#	-	
PBT	20.58	36.98	-44.4%
Income Tax	(3.46)	(6.89)	-49.8%
Net Profit	17.12	30.09	-43.1%
# - Amount less than RM10,000			
Significant other (expense)/income items			
(Loss)/Gain on foreign exchange	(18.78)	0.32	-5,969%
(Loss)/Gain on derivatives	(0.96)	0.38	-353%
ESOS	-	(2.19)	NM
Interest income	1.32	0.10	1,220%
Inventory impairment	(1.09)	(1.53)	-29%

Despite lower global new car sales caused by component shortages, supply chain issues and Covid lockdown in China, the Group recorded a 16.0% year-on-year revenue growth to RM242.1 million. The robust growth underlined the strength of automotive LED demand, spurred by the proliferation of electric vehicles and changes in new design trends.

Gross profit margin however declined from 30.6% to 27.9%. The margin contraction in the current quarter was affected by lower plant utilisation (following recent capacity expansion) and the effects of minimum wage increase in May 2022. Consequently, gross profit grew 5.9% to RM67.6 million.

During the quarter, the Group reported an RM18.8 million forex loss (2Q2021 gain of RM0.3 million). This amount comprised mainly unrealised translation loss (no cashflow impact) of US Dollar denominated loans which the Group procured to part finance its US Dollar denominated equipment purchases for expansion. The Group did not enter into any currency hedge on these loans as the new capacities are expected to generate future US Dollar denominated revenue stream, thus providing a natural hedge to these loans, going forward. In the short term, management is taking steps to increase US Dollar holdings and reviewing the Group borrowing currency structure to better balance the assets and liabilities denominated in foreign currencies. This is expected to minimise the impact of short term foreign currency volatility.

Excluding the forex loss, the Group would have recorded a 7.4% increase pre-tax profit to RM39.4 million.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022

B1. Operating Segment review (Cont'd)

1H Year-on-Year Earnings Performance Review

	Current Year Period Ended 30 June 2022 (RM mil)	Preceding Year Period Ended 30 June 2021 (RM mil)	% Change
Revenue			
- Automotive	468.23	406.32	15.2%
- Non-Automotive	15.44	7.98	93.5%
	483.67	414.30	16.7%
Gross Profit	135.00	125.15	7.9%
<i>Gross margin</i>	27.9%	30.2%	
Net other expense	(21.10)	(6.26)	237.1%
Distribution expenses	(5.04)	(4.01)	25.7%
Administrative expenses	(30.47)	(28.97)	5.2%
R&D expenses	(16.67)	(12.22)	36.4%
Finance costs	(1.99)	(1.03)	93.2%
Share of results of Joint Venture	#	-	
PBT	59.73	72.66	-17.8%
Income Tax	(8.65)	(12.84)	-32.6%
Net Profit	51.08	59.82	-14.6%

- Amount less than RM10,000

Significant other (expense)/income items

Loss on foreign exchange	(19.33)	(1.58)	1,123%
(Loss)/Gain on derivatives	(1.56)	1.56	-200%
ESOS	-	(2.93)	NM
Inventory impairment	(3.17)	(3.58)	-11%
Interest income	2.60	0.22	1,082%

For the 6-month period ended 30 June 2022, revenue registered a 16.7% year-on-year increase to RM483.7 million, bolstered by a 15.2% increase in automotive LED sales. The performance was achieved on the back of slower global new car sales which was adversely impacted by component shortages, supply chain disruptions and Covid lockdown in China.

Gross profit margin in the current period at 27.9% was 2.3% lower when compared to 30.2% in the same period last year. Gross margin in 1H2022 was affected by lower plant utilisation (as a result of progressive capacity expansion) and minimum wages increase in May 2022. Accordingly, gross profit rose 7.9% to RM135.0 million.

Similar to 2Q 2022 performance, pre-tax profit in 1H2022 was weighed by RM19.3 million forex loss (1H2021: loss RM1.6 million) arising mainly from unrealised translation loss of US Dollar denominated loans following the weakening of Ringgit Malaysia against the US Dollar. Excluding forex loss, pre-tax profit would have registered a 6.5% increase to RM79.1 million.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022

B1. Operating Segment review (Cont'd)

Changes in key Balance Sheet items during the 6-months period

	As At 30 June 2022 (RM mil)	As At 31 December 2021 (RM mil)	Explanation
Non-Current Assets			
Property, Plant and Equipment	438.86	372.75	RM94.6 million was spent on capital expenditure to expand production capacity, improve machine efficiencies and quality control and plant automation, partially offset by a RM28.5 million depreciation charge for the period.
Current Assets			
Inventories	380.22	305.64	Increase was due to higher holding of input materials aimed at lowering supply interruption risks, and an increase in semi-finished and finished goods inventory in anticipation of stronger 2H2022.
Trade Receivables	246.56	224.62	Increase was due to stronger 1H2022 sales compared to 2H2021.
Current Liabilities			
Trade Payables	283.01	244.75	The increase was mainly attributable to an increase in raw material purchases and CAPEX spending to support higher production output.

Cash flow analysis for 6-month period ended 30 June 2022

Before changes in working capital, the Group generated a positive RM108.7 million (1H2021:RM108.8 million) cash flow from its operations. After changes in working capital, interest and income tax payments, cash inflow was positive at RM21.2 million. The increased working capital requirement was mainly due to increased inventory holding to minimise supply interruption risk and to build up inventory in anticipation of a stronger order book in 2H2022.

In the same period, the Group spent RM104.6 million on capital expenditure and RM13.5 million on dividends paid to shareholders and minority shareholders of subsidiaries. The cash outflow from investing activities was partially financed by banking facilities. Despite total liability increased, the Group balance sheet remain healthy with net asset rose RM32.8 million to RM846.8 million and debt to equity ratio (net debt/total equity) stood at 0.002.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022

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

	Current Year Quarter Ended 30 June 2022 (RM mil)	Current Year Quarter Ended 31 March 2022 (RM mil)	% Change
Revenue			
- Automotive	234.58	233.65	0.4%
- Non-Automotive	7.48	7.95	-5.9%
	242.06	241.60	0.2%
Gross Profit	67.56	67.43	0.2%
<i>Gross margin</i>	27.9%	27.9%	
Net other expense	(19.29)	(1.81)	965.7%
Distribution expenses	(2.66)	(2.38)	11.8%
Administrative expenses	(15.24)	(15.23)	0.1%
R&D expenses	(8.50)	(8.16)	4.2%
Finance costs	(1.29)	(0.70)	84.3%
Share of results of Joint Venture	#	#	
PBT	20.58	39.15	-47.4%
Income Tax	(3.46)	(5.19)	-33.3%
Net Profit	17.12	33.96	-49.6%

- Amount less than RM10,000

Significant other (expense)/income items

Loss on foreign exchange	(18.78)	(0.54)	3,378%
Loss on derivatives	(0.96)	(0.60)	60%
Inventory impairment	(1.09)	(2.08)	-48%
Interest income	1.32	1.28	3%

In spite of China's Covid lockdown for almost the entire second quarter, the Group eked out a marginal 0.2% sequential increase in sales to RM242.1 million.

Gross profit margin at 27.9% was stable quarter-on-quarter (1Q2022: 27.9%). Consequently, gross profit rose marginally by 0.2% to RM67.6 million.

The sharp weakening of Ringgit Malaysia in the current quarter resulted in the Group recording a RM18.8 million forex loss, compared to a loss of RM0.5 million in 1Q 2022. As explained earlier, the forex loss arose mainly from unrealised translation loss of the Group's US Dollar denominated loans. Excluding forex loss, pre-tax profit of the Group would have been flat quarter-on-quarter.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022

B3. Commentary on Prospects

According to INSIDEEVs, global passenger plug-in EV sales surged to a new all-time high of 913,479 in June 2022, a 54% increase from a year ago. Based on this trend, global EV new registration is heading towards >10 million per year (2021: 6.5 million). Wards Intelligence further estimated that the second half global vehicle sales volume will show positive growth over the same period in 2021.

The growth fundamentals of LED remain intact. Besides strong EV sales forecast, another primary demand drivers of automotive LED are the introduction of new LED lighting applications including LED panels display which with the increasing demand of size and quality of the display screen, LED demand per car will continue to rise. As highlighted by All About Circuits in an article dated 5 February 2022, automotive displays are available from instrument clusters to center-stacked touchscreens, rear-seat entertainment, and etc. In view of the current backlight LEDs are located along the edges of the panel resulted the display unable to achieve truly black in colour, new LCD displays solve the problem by reengineering the backlight, from edge-lit to full-array top emission LEDs solutions. This design will require more LEDs moving forward.

In regards to the short term foreign currency volatility, the management is taking steps to optimise its treasury management (including increasing the US Dollar holdings and reviewing the Group borrowing currency structure) to minimise the short term impact of movement in foreign exchange to the Group.

To cope with future demand growth, the Group will continue with its expansion plan. Barring any unforeseen circumstances, management expects the Group to register a good year on year double-digit top line growth.

B4. Profit Forecast or Profit Guarantee

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

B5. Income Tax Expense

	Current Year Quarter Ended 30 June 2022 RM'000	Preceding Year Quarter Ended 30 June 2021 RM'000	Current Year Period Ended 30 June 2022 RM'000	Preceding Year Period Ended 30 June 2021 RM'000
Current tax	3,375	6,762	6,179	12,543
Under provision in prior year	89	-	89	-
Deferred tax	-	130	2,385	292
	<u>3,464</u>	<u>6,892</u>	<u>8,653</u>	<u>12,835</u>

The effective tax rate for the current quarter and period ended 30 June 2022 was lower than the Malaysia statutory tax rate of 24% mainly due to capital allowances and reinvestment allowances.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022

B6. Borrowings

The Group's borrowings are as follows:

		As at 30 June 2022					
		Long term		Short term		Total borrowings	
		Foreign denomination RM'000	RM denomination RM'000	Foreign denomination RM'000	RM denomination RM'000	Foreign denomination RM'000	RM denomination RM'000
Secured:	Exchange rate*						
<i>Term loan</i>							
-USD	4.41	73,959	-	47,003	-	120,962	-
-RM	-	-	20,592	-	6,206	-	26,798
<i>Revolving credit</i>							
-USD	4.41	-	-	39,672	-	39,672	-
-RM	-	-	-	-	5,000	-	5,000
<i>Bankers acceptances</i>							
-USD	4.41	-	-	82,499	-	82,499	-
		73,959	20,592	169,174	11,206	243,133	31,798
Sub-total		94,551		180,380		274,931	

		As at 31 December 2021					
		Long term		Short term		Total borrowings	
		Foreign denomination RM'000	RM denomination RM'000	Foreign denomination RM'000	RM denomination RM'000	Foreign denomination RM'000	RM denomination RM'000
Secured:	Exchange rate*						
<i>Term loan</i>							
-USD	4.17	49,708	-	38,302	-	88,010	-
-RM	-	-	11,331	-	4,970	-	16,301
<i>Revolving credit</i>							
-USD	4.17	-	-	13,745	-	13,745	-
-RM	-	-	-	-	5,000	-	5,000
<i>Bankers acceptances</i>							
-USD	4.17	-	-	55,987	-	55,987	-
		49,708	11,331	108,034	9,970	157,742	21,301
Sub-total		61,039		118,004		179,043	

*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 SECOND QUARTER ENDED 30 JUNE 2022

B7. Earnings per Share

1. Basic

	Current Year Quarter Ended 30 June 2022	Preceding Year Quarter Ended 30 June 2021	Current Year Period Ended 30 June 2022	Preceding Year Period Ended 30 June 2021
Continuing operations				
Profit after taxation (RM'000)	17,121	30,090	51,084	59,825
Non-controlling interests (RM'000)	(1,786)	(3,302)	(5,250)	(6,532)
Profit attributable to Owners of the Company (RM'000)	15,335	26,788	45,834	53,293
Dividend on ICPS (RM'000)	(2,941)	(2,828)	(2,941)	(2,828)
	<u>12,394</u>	<u>23,960</u>	<u>42,893</u>	<u>50,465</u>
Weighted average number of ordinary shares:-				
Issued ordinary shares at 1 January ('000)	1,237,142	1,153,943	1,237,142	1,153,943
Effect of new ordinary shares issued under ESOS ('000)	-	23,589	-	16,918
Weighted average number of ordinary shares for the period (‘000)	<u>1,237,142</u>	<u>1,177,532</u>	<u>1,237,142</u>	<u>1,170,861</u>
Basic earnings per share (sen)	<u>1.00</u>	<u>2.04</u>	<u>3.47</u>	<u>4.31</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022

B7. Earnings per Share (Cont'd)

2. *Diluted*

	Current Year Quarter Ended 30 June 2022	Preceding Year Quarter Ended 30 June 2021	Current Year Period Ended 30 June 2022	Preceding Year Period Ended 30 June 2021
Continuing operations				
Profit attributable to Owners of the Company (RM'000) (as above)	15,335	26,788	45,834	53,293
Weighted average number of ordinary shares for the period ('000) (as above)	1,237,142	1,177,532	1,237,142	1,170,861
Weighted average number of shares deemed to have been issued under ESOS at no consideration ('000)	-	10,242	-	10,242
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)	1,614,216	1,564,848	1,614,216	1,558,177
Diluted earnings per share (Sen)	0.95	1.71	2.84	3.42

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022

B8. Detailed Disclosure for Statement of Comprehensive Income

	Current Year Quarter Ended 30 June 2022 RM'000	Preceding Year Quarter Ended 30 June 2021 RM'000	Current Year Period Ended 30 June 2022 RM'000	Preceding Year Period Ended 30 June 2021 RM'000
After crediting:				
Interest income	1,319	102	2,595	215
After debiting:				
Amortisation of intangible assets	316	298	624	594
Depreciation	14,777	11,225	28,481	22,058
Depreciation on right-of-use assets	366	270	697	542
Interest expense	1,092	413	1,692	835
Interest expense on lease liabilities	13	19	28	39
Inventories written down	1,094	1,535	3,169	3,584
Loss/(Gain) on foreign exchange	18,783	(316)	19,326	1,575
Fair value loss/(gain) on derivatives	960	(377)	1,564	(1,557)
Property, plant and equipment written off	-	3	-	9

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

B9. Derivatives

As at 30 June 2022, the contract amount, fair value and maturity tenor of the outstanding forward foreign currency contracts are as follows:

	As At 30 June 2022	
	Contract/ Nominal Amount	Fair Value of the Statement of Financial Position Asset/(Liability)
	RM'000	RM'000
Forward Foreign Currency Contracts – Less than 1 year	102,407	(662)

The Group entered into forward foreign currency contracts to hedge against its future receipt of trade receivable denominated in RMB, the US Dollar and Euro. The settlement dates of the outstanding forward foreign currency contracts at the end of the reporting period range between 1 and 8 months.

There is no significant change in the credit risk, market risk and liquidity risk associated with the derivatives, the cash requirements of the derivatives and the risk management objectives and policies on financial derivatives since the previous financial year ended 31 December 2021.

B10. Corporate Proposals

There was no corporate proposal announced before the end of period but not completed as at 17 August 2022, 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 SECOND QUARTER ENDED 30 JUNE 2022

B11. Status of Utilisation of Proceeds

The Company received proceeds from the Private Placement of RM216,370,000 from the issuance of 38,500,000 D&O Shares at the issue price of RM5.62 per Placement Shares. The proceeds have been utilised in the following manner as at 30 June 2022:

Details	Proposed Utilisation RM'000	Proposed Utilisation (Revised) RM'000 (Note 1)	Actual Utilisation RM'000	Unutilised Proceeds RM'000	Intended timeframe of utilisation from the listing date of the Placement Shares (1.12.2021)
1. Capital expenditure	202,985	214,008	-	214,008	Within 4 years
2. Estimated expenses relating to the Proposed Private Placement	2,220	2,362	2,362	-	
	205,205	216,370	2,362	214,008	

(Note 1)

Revised following the actual receipt of proceeds of RM216,370,000

Pending utilisation, the funds have been placed in interest bearing fixed deposit accounts with licensed financial institution.

B12. Dividend

(a) Ordinary Share

An interim single-tier dividend of 0.78 sen per ordinary share for the financial year ending 31 December 2022 (2021: 0.75) was paid on 30 June 2022.

(b) Irredeemable Convertible Preference Shares ("ICPS")

An interim single-tier dividend of 0.78 sen per ICPS for the financial year ending 31 December 2022 (2021: 0.75) was paid on 30 June 2022.

(c) Total dividend declared

The total dividend declared to-date for the current financial year is 0.78 sen (30 June 2021: 0.75 sen) per ordinary share and 0.78 sen (30 June 2021: 0.75 sen) per 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 Securities at the Board meeting held on 23 August 2022.