

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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:

<b>MFRSs and IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
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 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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 September 2022.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 September 2022.

**A7. Dividend**

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

**A9. Debt and Equity Securities**

During the current quarter and period ended 30 September 2022, 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:-

	<b>Issue Price per share</b>	<b>Current Year Quarter Ended 30 September 2022</b>	<b>Current Year Period Ended 30 September 2022</b>
	<b>RM</b>	<b>No of shares</b>	<b>No of shares</b>
Exercise of ESOS	3.49	81,000	81,000

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 period ended 30 September 2022.

**A10. Segmental Information**

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

<b>Current Year Year-To-Date 30 September 2022</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	528,241	145,485	45,147	16,953	735,826
Segment assets	1,525,473	65,799	2,551	-	1,593,823
Capital expenditure	156,530	-	4	-	156,534
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Preceding Year Year-To-Date 30 September 2021</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	409,606	122,376	41,473	15,414	588,869
Segment assets	881,136	52,839	2,021	-	935,996
Capital expenditure	107,286	20	-	-	107,306
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**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 September 2022.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

**A12. Capital Commitments**

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

	<b>As at 30 September 2022 RM'000</b>	<b>As at 31 December 2021 RM'000</b>
Purchase of property, plant and equipment	<u>92,520</u>	<u>91,059</u>

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

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

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

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

D&O has adopted the following multiple proposals which were approved by the shareholders on 8<sup>th</sup> 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 conditional subscription agreements respectively for the issue and allotment of new ordinary shares 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 (representing 6.80% of the enlarged share capital) 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 (representing 6.55% of the enlarged share capital) 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 November 2022.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 September 2022.

	<b>Current Year Quarter Ended 30 September 2022 RM'000</b>	<b>Preceding Year Quarter Ended 30 September 2021 RM'000</b>	<b>Current Year Period Ended 30 September 2022 RM'000</b>	<b>Preceding Year Period Ended 30 September 2021 RM'000</b>
Purchases	80,153	58,857	209,013	186,992
Rental	<u>59</u>	<u>57</u>	<u>177</u>	<u>171</u>

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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**

**3Q Year-on-Year Earnings Performance Review**

	<b>Current Year</b>	<b>Preceding Year</b>	
	<b>Quarter Ended</b>	<b>Quarter Ended</b>	
	<b>30 September</b>	<b>30 September</b>	
	<b>2022</b>	<b>2021</b>	<b>% Change</b>
	<b>(RM mil)</b>	<b>(RM mil)</b>	
<b>Revenue</b>			
- Automotive	245.91	170.72	44.0%
- Non-Automotive	6.25	3.84	62.8%
	<b>252.16</b>	<b>174.56</b>	<b>44.5%</b>
Gross Profit	69.08	50.61	36.5%
<i>Gross margin</i>	<b>27.4%</b>	<b>29.0%</b>	
Net other expense	(19.28)	(4.37)	341.2%
Distribution expenses	(3.58)	(2.21)	62.0%
Administrative expenses	(15.53)	(15.10)	2.8%
R&D expenses	(9.95)	(6.96)	43.0%
Finance costs	(2.42)	(0.53)	356.6%
Share of results of Joint Venture	#	(0.01)	
<b>PBT</b>	<b>18.32</b>	<b>21.43</b>	<b>-14.5%</b>
Income Tax	(0.89)	(0.56)	58.9%
<b>Net Profit</b>	<b>17.43</b>	<b>20.87</b>	<b>-16.5%</b>

# - Amount less than RM10,000

**Significant other (expense)/income items**

Loss on foreign exchange	(17.16)	(2.02)	749.5%
(Loss)/Gain on derivatives	(1.12)	0.29	-486.2%
ESOS	(1.73)	(2.19)	-21.0%
Interest income	1.21	0.10	1,110.0%
Inventory impairment	(0.37)	(0.66)	-43.9%

The Group reported a 44.5% growth in revenue for the current quarter to RM252.2 million, propelled by a 44.0% growth in Automotive Segment revenue to RM245.9 million. The improvement of automotive earnings was attributable to increased orders for new projects amidst a challenging market condition coupled with a low-base effect. Revenue in the third quarter last year was adversely affected by a total 24-day shutdown in the July-August 2021 period to contain the spread of Covid-19 virus.

Gross profit rose 36.5% to RM69.1 million. Gross profit margin came in lower at 27.4%, compared to 29.0% registered in the same period last year, as a result of the increase in minimum wages in May 2022 and the weakening of RMB and EURO against the US Dollar. Profits from operating activities before other income/expenses and finance cost improved 51.9% to RM40.0 million.

Including other income/expense and finance cost, pre-tax profit declined 14.5% to RM18.3 million. During the current quarter, the Group incurred a significant increase in forex loss from RM2.0 million to RM17.2 million mainly as a result of unrealised translation loss arising from the Group's US Dollar denominated loans. As highlighted in 2Q2022 report, management has taken concrete steps to better manage its foreign currency exposures. Management expects the impact on earnings from foreign currency volatility will be significantly reduced in 4Q2022.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

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

**9-month Year-on-Year Earnings Performance Review**

	<b>Current Year Period Ended 30 September 2022 (RM mil)</b>	<b>Preceding Year Period Ended 30 September 2021 (RM mil)</b>	<b>% Change</b>
<b>Revenue</b>			
- Automotive	714.14	577.04	23.8%
- Non-Automotive	21.69	11.83	83.3%
	<b>735.83</b>	<b>588.87</b>	<b>25.0%</b>
Gross Profit	204.08	175.76	16.1%
<i>Gross margin</i>	<i>27.7%</i>	<i>29.8%</i>	
Net other expense	(40.38)	(10.63)	279.9%
Distribution expenses	(8.62)	(6.22)	38.6%
Administrative expenses	(45.99)	(44.07)	4.4%
R&D expenses	(26.62)	(19.18)	38.8%
Finance costs	(4.41)	(1.56)	182.7%
Share of results of Joint Venture	#	(0.01)	
<b>PBT</b>	<b>78.06</b>	<b>94.09</b>	<b>-17.0%</b>
Income Tax	(9.54)	(13.39)	-28.8%
<b>Net Profit</b>	<b>68.52</b>	<b>80.70</b>	<b>-15.1%</b>

# - Amount less than RM10,000

**Significant other (expense)/income items**

Loss on foreign exchange	(36.49)	(3.59)	916.4%
(Loss)/Gain on derivatives	(2.68)	1.85	-244.9%
ESOS	(1.73)	(5.12)	-66.2%
Inventory impairment	(3.54)	(4.25)	-16.7%
Interest income	3.81	0.31	1,129.0%

Revenue in the 9-month period was 25.0% higher year-on-year at RM735.8 million. The revenue growth was underpinned by increasingly stronger demand for the Group's automotive LED coupled with a low-base effect.

Gross profit margin for the 9-month period stood at 27.7%, 2.1% lower than 29.8% registered in the same period last year. The margin reduction was mainly due to lower plant utilisation (following recent capacity expansion), the effects of the minimum wage increase in May 2022 and a weaker RMB and EURO against the US Dollar. Operating profit before other income/expense and finance cost increased 15.6% to RM122.8 million on higher turnover.

Overall pre-tax profit was however weighed by RM36.5 million forex loss (9M2021: loss RM3.6 million) arising mainly from unrealised translation loss of US Dollar denominated loans following the sharp devaluation of Ringgit Malaysia against the US Dollar. Excluding forex loss, pre-tax profit would have registered a 17.3% increase to RM114.6 million.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

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

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

	As At 30 September 2022 (RM mil)	As At 31 December 2021 (RM mil)	Explanation
<b>Non-Current Assets</b>			
Property, Plant and Equipment	474.9	372.8	RM146.5 million was spent on capital expenditure to expand production capacity, improve machine efficiencies and quality control, plant automation and Plant 2 renovation, partially offset by a RM44.2 million depreciation charge for the period.
<b>Current Assets</b>			
Inventories	449.9	305.64	Inventory increased significantly to meet customers' safety buffer stock requirement and to minimise supply chain interruption risks.
Trade Receivables	261.8	224.62	Increase was in line with a higher revenue base.
<b>Current Liabilities</b>			
Trade Payables	303.9	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 9-month period ended 30 September 2022**

The Group generated RM154.9 million cash from its operations before taking account changes in working capital (9M2021: RM146.0 million). After factoring in changes in working capital, interests and income tax payments, operational cash inflow was reduced to RM3.7 million (9M2021: RM73.6 million). A higher working capital requirement was necessary to support increasing sales revenue and reduce supply chain interruption risks.

In the first 9 months of 2022, the Group spent RM156.5 million on capital expenditure and RM13.4 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 bank borrowings and RM24 million proceeds from the issuance of preference shares by Dominant. Despite the additional borrowings, the Group's balance sheet remains healthy and strong, and the net gearing ratio at 9% remains low.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

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

	<b>Current Year Quarter Ended 30 September 2022 (RM mil)</b>	<b>Current Year Quarter Ended 30 June 2022 (RM mil)</b>	<b>% Change</b>
<b>Revenue</b>			
- Automotive	245.91	234.58	4.8%
- Non-Automotive	6.25	7.48	-16.4%
	<b>252.16</b>	<b>242.06</b>	<b>4.2%</b>
Gross Profit	69.08	67.56	2.2%
<i>Gross margin</i>	<b>27.4%</b>	<b>27.9%</b>	
Net other expense	(19.28)	(19.29)	-0.1%
Distribution expenses	(3.58)	(2.66)	34.6%
Administrative expenses	(15.53)	(15.24)	1.9%
R&D expenses	(9.95)	(8.50)	17.1%
Finance costs	(2.42)	(1.29)	87.6%
Share of results of Joint Venture	#	#	
<b>PBT</b>	<b>18.32</b>	<b>20.58</b>	<b>-11.0%</b>
Income Tax	(0.89)	(3.46)	-74.3%
<b>Net Profit</b>	<b>17.43</b>	<b>17.12</b>	<b>1.8%</b>

# - Amount less than RM10,000

**Significant other (expense)/income items**

Loss on foreign exchange	(17.16)	(18.78)	-9%
Loss on derivatives	(1.12)	(0.96)	17%
Inventory impairment	(0.37)	(1.09)	-66%
Interest income	1.21	1.32	-8%

The Group registered a 4.2% increase in turnover to RM252.2 million as a 4.8% expansion in the Automotive Segment more than offset a 16.4% decline in the Non-Automotive Segment.

Gross profit margin was marginally lower at 27.4% when compared to 27.9% in the preceding quarter. The slightly lower gross margin was mainly attributable to minimum wage increase in May 2022.

Pre-tax profit fell 11% to RM18.3 million owing to higher distribution and administrative expenses, R&D expenses and finance costs. Net profit however grew by 1.8% to RM17.4 million on lower effective tax expense rate of 4.9% (2Q2022: 16.8%) which was in turn due to the realisation of reinvestment allowance.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

**B3. Commentary on Prospects**

According to Bloomberg Hyperdrive, global car sales in 2022 will be at the same level as 2021 at 81 million cars. Cars sales are projected to gradually increase in 2023 and recover to pre-pandemic levels by 2024. In addition, global passenger plug-in electric car sales are expected to continue to expand rapidly. INSIDEEV's forecasts plug-in electric car sales to exceed 10 million units in 2022.

China's prolonged Zero Covid policy and high built-up inventory levels are expected to moderate short term growth for the Group. Nonetheless, management remains optimistic that the earnings in 4Q2022 will remain healthy. In the longer term, we believe the prospects of automotive LED remains bright and intact, driven primarily by the growth in electric vehicle, and the broadening of automotive LED applications.

In managing foreign currency volatility, management has taken necessary steps to gradually increase US Dollar asset holdings and explored banking facilities in different currencies. The Group also entered into forward foreign currency contracts to manage its foreign currency exposures. With these proactive actions, management expects the impact of foreign currency fluctuations will be substantially reduced in 4Q2022 and forward.

**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 30 September 2022 RM'000</b>	<b>Preceding Year Quarter Ended 30 September 2021 RM'000</b>	<b>Current Year Period Ended 30 September 2022 RM'000</b>	<b>Preceding Year Period Ended 30 September 2021 RM'000</b>
Current tax	652	2,519	6,831	15,062
Withholding tax on dividend received	48	-	48	-
Over provision in prior year	(2,431)	(3,233)	(2,342)	(3,233)
Deferred tax	2,620	1,272	5,005	1,564
	<u>889</u>	<u>558</u>	<u>9,542</u>	<u>13,393</u>

The effective tax rate for the current quarter and period ended 30 September 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 THIRD QUARTER ENDED 30 SEPTEMBER 2022**

**B7. Earnings per Share**

*1. Basic*

	<b>Current Year Quarter Ended 30 September 2022</b>	<b>Preceding Year Quarter Ended 30 September 2021</b>	<b>Current Year Period Ended 30 September 2022</b>	<b>Preceding Year Period Ended 30 September 2021</b>
<b>Continuing operations</b>				
Profit after taxation (RM'000)	17,433	20,872	68,518	80,697
Non-controlling interests (RM'000)	(1,680)	(2,274)	(6,930)	(8,806)
Profit attributable to Owners of the Company (RM'000)	15,753	18,598	61,588	71,891
Dividend on ICPS (RM'000)	-	-	(2,941)	(2,828)
	<u>15,753</u>	<u>18,598</u>	<u>58,647</u>	<u>69,063</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)	49	36,947	16	23,594
Weighted average number of ordinary shares for the period (‘000)	<u>1,237,191</u>	<u>1,190,890</u>	<u>1,237,158</u>	<u>1,177,537</u>
Basic earnings per share (sen)	<u>1.27</u>	<u>1.56</u>	<u>4.74</u>	<u>5.87</u>

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

**B7. Earnings per Share (Cont'd)**

2. *Diluted*

	<b>Current Year Quarter Ended 30 September 2022</b>	<b>Preceding Year Quarter Ended 30 September 2021</b>	<b>Current Year Period Ended 30 September 2022</b>	<b>Preceding Year Period Ended 30 September 2021</b>
<b>Continuing operations</b>				
Profit attributable to Owners of the Company (RM'000) (as above)	15,753	18,598	61,588	71,891
Weighted average number of ordinary shares for the period ('000) (as above)	1,237,191	1,190,890	1,237,158	1,177,537
Weighted average number of shares deemed to have been issued under ESOS at no consideration ('000)	607	-	607	-
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)	1,614,872	1,567,964	1,614,839	1,554,611
Diluted earnings per share (Sen)	0.98	1.19	3.81	4.62

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

**B8. Detailed Disclosure for Statement of Comprehensive Income**

	<b>Current Year Quarter Ended 30 September 2022 RM'000</b>	<b>Preceding Year Quarter Ended 30 September 2021 RM'000</b>	<b>Current Year Period Ended 30 September 2022 RM'000</b>	<b>Preceding Year Period Ended 30 September 2021 RM'000</b>
<b>After crediting:</b>				
Interest income	1,214	95	3,809	310
Gain on disposal of property, plant and equipment	198	-	198	-
<b>After debiting:</b>				
Amortisation of intangible assets	321	299	945	893
Depreciation	15,708	11,888	44,189	33,946
Depreciation on right-of-use assets	342	280	1,039	822
Interest expense	2,278	374	3,970	1,209
Interest expense on lease liabilities	21	19	49	58
Inventories written down	369	661	3,538	4,245
Loss on foreign exchange	17,162	2,017	36,488	3,592
Fair value loss/(gain) on derivatives	1,116	(289)	2,680	(1,846)
Property, plant and equipment written off	45	3	45	12

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

	<b>As At 30 September 2022</b>	
	<b>Contract/ Nominal Amount</b>	<b>Fair Value of the Statement of Financial Position Asset/(Liability)</b>
	<b>RM'000</b>	<b>RM'000</b>
Forward Foreign Currency Contracts – Less than 1 year	118,723	(176)

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 6 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.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

**B10. Corporate Proposals**

There was no corporate proposal announced before the end of period but not completed as at 17 November 2022, the latest practicable date which is not earlier than 7 days from the date of issue of these financial statements.

**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 September 2022:

<b>Details</b>	<b>Proposed Utilisation RM'000</b>	<b>Proposed Utilisation (Revised) RM'000 (Note 1)</b>	<b>Actual Utilisation RM'000</b>	<b>Unutilised Proceeds RM'000</b>	<b>Intended timeframe of utilisation from the listing date of the Placement Shares (1.12.2021)</b>
1. Capital expenditure	202,985	214,008	8	214,000	Within 4 years
2. Estimated expenses relating to the Proposed Private Placement	2,220	2,362	2,362	-	
	205,205	216,370	2,370	214,000	

(Note 1)

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

The unutilised funds have been placed in interest bearing fixed deposit accounts with licensed financial institution.

**B12. Dividend**

**(a) Ordinary Share**

The first interim 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.

The Board of Directors proposed a second interim dividend of 0.52 sen per ordinary share in respect of the financial year ending 31 December 2022. The entitlement and payment dates of the proposed dividend are 12 December 2022 and 28 December 2022 respectively. The proposed dividend has not been included as a liability in these financial statements.

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

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

The Board of Directors proposed a second interim dividend of 0.52 sen per ICPS in respect of the financial year ending 31 December 2022 based on the terms of the ICPS. The entitlement and payment dates of the dividend are 12 December 2022 and 28 December 2022 respectively. The proposed dividend has not been included as a liability in these financial statements.

**(c) Total dividend declared**

The total dividend declared to-date for the current financial year is 1.30 sen (2021: 1.50 sen) per ordinary share and 1.30 sen (2021: 1.50 sen) per ICPS.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

**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 November 2022.