

**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 2022**

	<u>FYE2023</u>	<u>FYE2022</u>	<u>FYE2023</u>	<u>FYE2022</u>
	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current Quarter Ended 30.09.2022</b>	<b>Preceding Year Corresponding Quarter Ended 30.09.2021</b>	<b>Current Year To Date Ended 30.09.2022</b>	<b>Preceding Year Ended 30.09.2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	187,542	122,315	378,721	262,468
Profit from Operations	4,532	5,252	12,874	17,189
Interest Income	161	360	299	737
Interest Expense	(2,003)	(1,411)	(4,147)	(3,385)
Depreciation	(1,628)	(1,422)	(3,264)	(2,698)
Profit Before Tax	1,062	2,779	5,762	11,843
Income Tax Expense	(490)	(732)	(1,737)	(2,880)
Profit After Tax	572	2,047	4,025	8,963
<b>Other Comprehensive Income</b>				
Exchange differences on translating foreign operations	577	(392)	1,019	(1,033)
<b>Total Comprehensive Income</b>	<b>1,149</b>	<b>1,655</b>	<b>5,044</b>	<b>7,930</b>
<b>Profit attributable to :</b>				
Owners of the Parent	572	2,047	4,025	8,963
<b>Total comprehensive income attributable to :</b>				
Owners of the Parent	1,149	1,655	5,044	7,930
Earning Per Share				
- Basic (sen)	0.35	1.24	2.44	5.42
- Diluted (sen)	0.35	1.24	2.44	5.42

**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 2022 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 2022 RM'000	(Audited) As At 31 March 2022 RM'000
<b>ASSETS</b>		
<b><u>Non-Current Assets</u></b>		
Property, plant and equipment	163,068	163,593
Investment properties	31,340	30,656
Inventories	6,013	6,013
Right-of-use assets	18,122	16,767
Goodwill	837	837
Deferred tax assets	119	119
	<u>219,499</u>	<u>217,985</u>
<b><u>Current Assets</u></b>		
Inventories	192,573	161,605
Trade receivables	168,961	174,067
Other receivables and prepaid expenses	4,589	9,554
Current tax assets	229	234
Short term investments	54,979	55,472
Cash and bank balances	11,291	15,891
	<u>432,622</u>	<u>416,823</u>
<b>TOTAL ASSETS</b>	<b><u>652,121</u></b>	<b><u>634,808</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b><u>Equity Attributable To Owners Of The Parent</u></b>		
Share capital	83,097	83,097
Other reserves	62,681	61,662
Retained earnings	201,142	200,421
<b>Total Equity</b>	<b><u>346,920</u></b>	<b><u>345,180</u></b>
<b><u>Non-Current Liabilities</u></b>		
Borrowings	12,122	13,426
Lease liabilities	4,232	2,959
Deferred tax liabilities	12,199	12,018
	<u>28,553</u>	<u>28,403</u>
<b><u>Current Liabilities</u></b>		
Trade payables	31,724	32,709
Other payables and accrued expenses	7,552	10,016
Borrowings	234,050	211,879
Lease liabilities	1,997	2,198
Current tax liabilities	1,325	4,423
	<u>276,648</u>	<u>261,225</u>
<b>Total Liabilities</b>	<b><u>305,201</u></b>	<b><u>289,628</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>652,121</u></b>	<b><u>634,808</u></b>
Net assets per share (RM)	2.09	2.08

**The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2022 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)**

	<b>Share Capital RM'000</b>	<b>Other Reserves RM'000</b>	<b>Retained Earnings RM'000</b>	<b>Total Equity RM'000</b>
<b>Balance as at 1 April 2021</b>	83,097	55,069	173,652	311,818
Total comprehensive income/(loss) for the period	-	(1,033)	8,963	7,930
Dividend	-	-	(1,652)	(1,652)
<b>Balance as at 30 September 2021</b>	<u>83,097</u>	<u>54,036</u>	<u>180,963</u>	<u>318,096</u>
<b>Balance as at 1 April 2022</b>	83,097	61,662	200,421	345,180
Total comprehensive income for the period	-	1,019	4,025	5,044
Dividend	-	-	(3,304)	(3,304)
<b>Balance as at 30 September 2022</b>	<u>83,097</u>	<u>62,681</u>	<u>201,142</u>	<u>346,920</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 2022 and the accompanying explanatory notes to the interim financial reports.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**

	<b>Financial Period Ended 30.09.2022 RM'000</b>	<b>Financial Period Ended 30.09.2021 RM'000</b>
Profit for the period	4,025	8,963
<b>Adjustments for : -</b>		
Non-cash items	1,820	2,662
Non-operating items	3,848	2,648
Taxation	1,737	2,880
<i>Operating profit before changes in working capital</i>	<u>11,430</u>	<u>17,153</u>
<b>Changes in working capital</b>		
Net change in current assets	(19,310)	(60,126)
Net change in current liabilities	(3,621)	285
<i>Cash used in operations</i>	(11,501)	(42,688)
Interest paid	(56)	(87)
Income tax paid	(4,827)	(3,450)
<b>Net cash used in operating activities</b>	<u>(16,384)</u>	<u>(46,225)</u>
<i>Cash flows from / (used in) investing activities</i>		
Interest received	299	737
Proceeds from disposal of property, plant and equipment	198	73
Purchase of property, plant and equipment	(1,224)	(5,715)
Additions to investment property	(35)	-
Withdrawal / (placement) of short term investments	823	(715)
<b>Net cash used in investing activities</b>	61	(5,620)
<i>Cash flows from / (used in) financing activities</i>		
Drawdown from borrowings	22,025	46,593
Dividends paid	(3,304)	(1,652)
Interest paid	(3,984)	(3,153)
Repayments of lease liabilities	(1,402)	(1,312)
Repayments of term loans	(1,326)	(757)
<b>Net cash from financing activities</b>	<u>12,009</u>	<u>39,719</u>
<b>Net Changes in Cash &amp; Cash Equivalents</b>	(4,314)	(12,126)
Adjustment for foreign exchange differentials	18	(75)
Cash & Cash Equivalents at beginning of financial period	15,499	16,439
Cash & Cash Equivalents at end of financial period	<u><u>11,203</u></u>	<u><u>4,238</u></u>
* Cash and cash equivalents at end of financial period comprise the following :		
Cash and bank balances	11,291	7,286
Less: Bank overdrafts		
(included within short term borrowings in Note B6)	(88)	(3,048)
	<u><u>11,203</u></u>	<u><u>4,238</u></u>

**The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2022 and the accompanying explanatory notes to the interim financial reports.**

**UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

**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 2022. 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 2022.

**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 2022 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 2022 as follows:

Annual Improvements to MFRS Standards 2018 – 2020

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*

Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*

MFRS 17 *Insurance Contracts*

Amendments to MFRS 17 *Insurance Contracts*

*Initial Application of MFRS 17 and MFRS 19 – Comparative Information (Amendment to MFRS 17 Insurance Contracts)*

*Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)*

*Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)*

*Deferred tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112)*

Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an 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 2022. 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 2022 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 and a single tier special final dividend of 1.0 sen per share, for the financial year ended 31 March 2022, amounting to RM 3,304,804, was paid by the Company on 22 September 2022.

**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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Manufacturing of wood products	76,375	65,441	5,536	12,089
Distributing of wood products	313,050	204,238	13,461	12,738
Other operating segments	4,370	3,855	(6,123)	(7,638)
	<u>393,795</u>	<u>273,534</u>	<u>12,874</u>	<u>17,189</u>
Elimination of inter-segment revenue:				
- Manufacturing of wood products	(2,261)	(968)		
- Distributing of wood products	(9,093)	(6,444)		
- Other operating segments	(3,720)	(3,654)		
	<u>378,721</u>	<u>262,468</u>	<u>12,874</u>	<u>17,189</u>
Interest income			299	737
Interest expense			(4,147)	(3,385)
Depreciation			(3,264)	(2,698)
Profit before tax			5,762	11,843
Income tax expense			(1,737)	(2,880)
Profit after tax			<u>4,025</u>	<u>8,963</u>
	<u>Assets</u>		<u>Liabilities</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Manufacturing of wood products	127,705	126,608	67,512	69,029
Distributing of wood products	397,240	335,868	216,294	189,565
Other operating segments	126,828	136,438	7,871	12,078
	<u>651,773</u>	<u>598,914</u>	<u>291,677</u>	<u>270,672</u>

**A11. Contingent Liabilities**

As of 30 September 2022, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 577.48 million (RM 561.02 million as of 30 June 2022) 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 256.48 million as of 30 September 2022 (RM 268.86 million as of 30 June 2022).

**A12. Changes in the Composition of the Group**

There were no changes in composition of the Group for the current quarter under review.

**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 2022, the Group has the following capital commitments:

	<b>RM'000</b>
Approved and contracted for :	
Acquisition of land	21,630
Construction of building	327
Acquisition of forklift, machineries and equipment	352
	<u>22,309</u>

**Additional Information Required by the Bursa Malaysia Listing Requirements**

**B1. Review of the Performance**

	INDIVIDUAL QUARTER		Changes	CUMULATIVE QUARTER		Changes
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended		Current Year To Date Ended	Preceding Year Ended	
	30.09.2022	30.09.2021		30.09.2022	30.09.2021	
	RM'000	RM'000		RM'000	RM'000	
Revenue	187,542	122,315	53.33	378,721	262,468	44.29
Operating Profit	4,532	5,252	-13.71	12,874	17,189	-25.10
Profit Before Interest and Tax	2,904	3,830	-24.18	9,610	14,491	-33.68
Profit Before Tax	1,062	2,779	-61.78	5,762	11,843	-51.35
Profit After Tax	572	2,047	-72.06	4,025	8,963	-55.09
Profit Attributable to Owners of the Parent	572	2,047	-72.06	4,025	8,963	-55.09

For current quarter ended 30 September 2022, the Group recorded revenue of RM 187.54 million. This represents an increase of 53.33% as compared to RM 122.32 million in the preceding year corresponding quarter ended 30 September 2021, driven mainly by low volume last year due to imposition of Movement Control Order. However, profit before tax decreased 61.78%, from RM 2.78 million to RM 1.06 million, as a result of lower margins to capture a bigger market share in the currently shrinking market, as well as higher cost of imports and materials.

The Group's revenue for the current year to date ended 30 September 2022 was 44.29% higher than the same period last year. Profit before tax decreased 51.35%, from RM 11.84 million to RM 5.76 million.

**Manufacturing Division**

Revenue was recorded at RM 32.49 million for current quarter, representing an increase of 29.80% as compared to RM 25.03 million in the preceding year corresponding quarter ended 30 September 2021. The increase in revenue was largely due to recovery of business activities. Profit before tax decreased from RM 0.49 million to RM 0.32 million, as a result of higher material and labour costs.

Revenue was recorded at RM 74.11 million for the six months ended 30 September 2022. This represents an increase of 14.95% as compared to RM 64.47 million in the preceding year ended 30 September 2021. However, profit before tax decreased 64.92%, from RM 10.32 million to RM 3.62 million.

	Current Year To Date Ended	Preceding Year Ended
	30.09.2022	30.09.2021
	RM'000	RM'000
Profit before tax	3,615	10,317
Less : insurance compensation received in relation to fire incident	(1,423)	(5,825)
Adjusted profit before tax	2,192	4,492

Excluding the insurance compensation sum of RM 5.83 million received in preceding year, and a final fire insurance compensation of RM 0.82 million and consequential loss insurance compensation of RM 0.60 million received in current year, the profit before tax decreased by 51.22%, from RM 4.49 million to RM 2.19 million.

**B1. Review of the Performance (continued)**Distribution Division

Revenue was recorded at RM 154.72 million for the current quarter. This represents an increase of 59.21% as compared to RM 97.18 million in the preceding year corresponding quarter ended 30 September 2021. The increase in revenue was due mainly to the recovery of economy and reopening of borders. However, profit before tax decreased 33.41%, from RM 4.49 million to RM 2.99 million, as a result of higher costs of distributed products.

Revenue was recorded at RM 303.96 million for the six months ended 30 September 2022. This represents an increase of 53.68% as compared to RM 197.79 million in the preceding year ended 30 September 2021. Profit before tax decreased 5.73%, from 9.07 million to RM 8.55 million.

	Current Year To Date Ended	Preceding Year Ended
	30.09.2022	30.09.2021
	RM'000	RM'000
Profit before tax	8,553	9,066
Less : insurance compensation received in relation to fire incident	(62)	-
Adjusted profit before tax	8,491	9,066

Excluding the consequential loss insurance compensation of RM 0.06 million received in current year, the profit before tax decreased by 6.39%, from RM 9.07 million to RM 8.49 million..

**B2. Variation of Results Against Preceding Quarter**

	Current Quarter Ended	Preceding Quarter Ended	Changes %
	30.09.2022	30.06.2022	
	RM'000	RM'000	
Revenue	187,542	191,179	-1.90
Operating Profit	4,532	8,342	-45.67
Profit Before Interest and Tax	2,904	6,706	-56.70
Profit Before Tax	1,062	4,700	-77.40
Profit After Tax	572	3,453	-83.43
Profit Attributable to Owners of the Parent	572	3,453	-83.43

For the current quarter under review, the Group's revenue decreased 1.90% as compared to RM 191.18 million in the preceding quarter ended 30 June 2022. Profit before tax decreased from RM 4.70 million to RM 1.06 million.

Excluding the final fire insurance compensation of RM 0.82 million and consequential loss insurance compensation of RM 0.66 million received in preceding quarter, profit before tax decreased 67.08%, from RM 3.22 million to RM 1.06 million. The continuous rising cost of materials has resulted in lower profit before tax.

**B3. Prospects**

The Board is of the view that the uncertainty in the global economy, together with factors like inflation, rise in interest rates and fluctuation in foreign exchange rates may influence the Group's profit performance.

The Group will continue to 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 2022 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	490	1,737
Total Tax Expense	<u>490</u>	<u>1,737</u>

**B6. Borrowings**

The Group's borrowings are as follows :-.

	As At 30 September 2022		As At 31 March 2022	
	Foreign Denomination	RM Denomination RM'000	Foreign Denomination	RM Denomination RM'000
<b>SHORT TERM</b>				
<b>Unsecured</b>				
Bankers' Acceptances		147,966		174,518
	USD 11,026,976	49,501	USD 1,593,799	6,704
-	SGD 300,327	966		-
Bank Overdrafts		83		389
	SGD 1,470	5	SGD 926	3
Term Loans		3,015		3,030
Revolving Credit		2,500		2,507
Trust Receipts	SGD 3,457,646	11,199	SGD 3,311,606	10,287
	VND 36,364,508,708	7,055	VND 28,015,816,358	5,155
	THB 95,815,236	11,760	THB 73,533,986	9,286
		<u>234,050</u>		<u>211,879</u>
<b>LONG TERM</b>				
<b>Unsecured</b>				
Term Loans		12,122		13,426
		<u>12,122</u>		<u>13,426</u>
<b>TOTAL BORROWINGS</b>				
Bankers' Acceptances		198,433		181,222
Bank Overdrafts		88		392
Term Loans		15,137		16,456
Revolving Credit		2,500		2,507
Trust Receipts		30,014		24,728
		<u>246,172</u>		<u>225,305</u>

**B7. Derivatives Financial Instruments**

As at 30 September 2022, 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	3,979	4,077

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 2023

The Board proposed a second interim dividend of 0.5 sen per share, single tier, for the financial year ending 31 March 2023 (1.0 sen per share, single tier, in previous corresponding period) to be paid on 22 December 2022 to shareholders whose names appear in Record of Depositors on 9 December 2022.

Total dividend per share for current financial year-to-date is 1.5 sen.

**B10. Earning Per Share**

The earning per share is derived as follow :-

	<b>Current Quarter</b>	<b>Current Year To Date</b>
Net profit for the period/year (RM'000)	572	4,025
Weighted average number of ordinary shares ('000)	165,240	165,240
Earning per share (sen)	0.35	2.44

**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:

	<b>Current Quarter RM'000</b>	<b>Current Year To Date RM'000</b>
Interest income	161	299
Other income including investment income		
- fire insurance compensation	-	826
- consequential loss insurance compensation	-	659
- reversal of impairment loss on receivables	174	1,127
- others	401	737
Interest expense	(2,003)	(4,147)
Depreciation	(1,628)	(3,264)
Provision for and write off of receivables	65	(244)
Provision for and write off of inventories	-	-
Gain/(Loss) on disposal of quoted or unquoted investments	-	-
Gain/(Loss) on disposal of property, plant and equipment	72	177
Impairment of assets	-	-
Gain/(Loss) on foreign exchange	26	(606)
Gain/(Loss) on derivatives	N/A	N/A