

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FOURTH QUARTER ENDED 31 MARCH 2022

	<u>FYE2022</u>	<u>FYE2021</u>	<u>FYE2022</u>	<u>FYE2021</u>
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 31.03.2022	Preceding Year Corresponding Quarter Ended 31.03.2021	Current Year To Date Ended 31.03.2022	Preceding Year Ended 31.03.2021
	RM'000	RM'000	RM'000	RM'000
Revenue	194,801	168,475	664,997	601,048
Profit from Operations	16,256	6,615	56,191	29,589
Fair value adjustments on investment properties	450	-	450	-
Interest Income	120	375	1,181	1,552
Interest Expense	(1,324)	(718)	(6,505)	(5,215)
Depreciation	(1,605)	(1,292)	(5,811)	(5,166)
Profit Before Tax	13,897	4,980	45,506	20,760
Income Tax Expense	(3,292)	(1,240)	(12,128)	(5,771)
Profit After Tax	10,605	3,740	33,378	14,989
Other Comprehensive Income				
Exchange differences on translating foreign operations	482	694	(471)	1,046
Gain/(Loss) on revaluation of properties	7,064	(907)	7,064	(907)
Total Comprehensive Income	18,151	3,527	39,971	15,128
Profit attributable to :				
Owners of the Parent	10,605	3,740	33,378	14,989
Total comprehensive income attributable to :				
Owners of the Parent	18,151	3,527	39,971	15,128
Earning Per Share				
- Basic (sen)	6.42	2.26	20.20	9.07
- Diluted (sen)	6.42	2.26	20.20	9.07

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 2021 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 31 March 2022 RM'000	(Audited) As At 31 March 2021 RM'000
ASSETS		
<u>Non-Current Assets</u>		
Property, plant and equipment	163,593	160,336
Investment properties	30,656	16,466
Inventories	6,013	6,013
Right-of-use assets	16,767	17,689
Goodwill	837	837
Deferred tax assets	119	254
	<u>217,985</u>	<u>201,595</u>
<u>Current Assets</u>		
Inventories	161,605	104,552
Trade receivables	174,067	144,243
Other receivables and prepaid expenses	9,554	7,852
Current tax assets	234	1,339
Short term investments	55,472	70,198
Cash and bank balances	15,891	17,299
	<u>416,823</u>	<u>345,483</u>
TOTAL ASSETS	634,808	547,078
EQUITY AND LIABILITIES		
<u>Equity Attributable To Owners Of The Parent</u>		
Share capital	83,097	83,097
Other reserves	61,662	55,069
Retained earnings	200,421	173,652
Total Equity	<u>345,180</u>	<u>311,818</u>
<u>Non-Current Liabilities</u>		
Borrowings	13,426	15,330
Lease liabilities	2,959	4,006
Deferred tax liabilities	12,018	10,133
	<u>28,403</u>	<u>29,469</u>
<u>Current Liabilities</u>		
Trade payables	32,709	39,225
Other payables and accrued expenses	10,016	8,476
Borrowings	211,879	154,282
Lease liabilities	2,198	2,107
Current tax liabilities	4,423	1,701
	<u>261,225</u>	<u>205,791</u>
Total Liabilities	<u>289,628</u>	<u>235,260</u>
TOTAL EQUITY AND LIABILITIES	634,808	547,078
Net assets per share (RM)	2.08	1.88

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2021 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)

	Share Capital RM'000	Other Reserves RM'000	Retained Earnings RM'000	Total Equity RM'000
Balance as at 1 April 2020	83,097	54,930	162,794	300,821
Total comprehensive income for the year	-	139	14,989	15,128
Dividend	-	-	(4,131)	(4,131)
Balance as at 31 March 2021	83,097	55,069	173,652	311,818
Balance as at 1 April 2021	83,097	55,069	173,652	311,818
Total comprehensive income for the year	-	6,593	33,378	39,971
Dividend	-	-	(6,609)	(6,609)
Balance as at 31 March 2022	83,097	61,662	200,421	345,180

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 2021 and the accompanying explanatory notes to the interim financial reports.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

	Financial Year Ended 31.03.2022 RM'000	Financial Year Ended 31.03.2021 RM'000
Profit for the year	33,378	14,989
Adjustments for : -		
Non-cash items	6,650	19,879
Non-operating items	5,324	3,663
Taxation	12,128	5,771
<i>Operating profit before changes in working capital</i>	57,480	44,302
Changes in working capital		
Net change in current assets	(90,857)	21,173
Net change in current liabilities	(4,996)	7,941
<i>Cash (used in)/generated from operations</i>	(38,373)	73,416
Income tax refunded	-	111
Interest paid	(188)	(97)
Income tax paid	(8,245)	(6,304)
Net cash (used in)/from operating activities	(46,806)	67,126
<i>Cash flows from / (used in) investing activities</i>		
Interest received	1,181	1,552
Proceeds from disposal of property, plant and equipment	211	257
Purchase of property, plant and equipment	(11,083)	(14,226)
Additions to investment property	(110)	-
Withdrawal/ (placement) of short term investments	14,812	(23,499)
Net cash from/(used in) investing activities	5,011	(35,916)
<i>Cash flows from / (used in) financing activities</i>		
Drawdown from/(repayments of) borrowings	56,678	(6,408)
Dividends paid	(6,609)	(4,131)
Interest paid	(6,045)	(4,792)
Cash payments on right-of-use assets	(420)	(521)
Repayments of lease liabilities	(2,699)	(2,435)
Net cash from/(used in) financing activities	40,905	(18,287)
Net Changes in Cash & Cash Equivalents	(890)	12,923
Adjustment for foreign exchange differentials	(50)	(113)
Cash & Cash Equivalents at beginning of financial year	16,439	3,629
Cash & Cash Equivalents at end of financial year	15,499	16,439
* Cash and cash equivalents at end of financial year comprise the following :		
Cash and bank balances	15,891	17,299
Less: Bank overdrafts		
(included within short term borrowings in Note B6)	(392)	(860)
	15,499	16,439

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2021 and the accompanying explanatory notes to the interim financial reports.

UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 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 2021. 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 2021.

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 2021 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 2021 as follows:

Interest Rate Benchmark Reform – Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)

Amendment to MFRS 16 *Covid-19-Related Rent Concessions beyond 30 June 2021*

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*

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*)

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 2021. 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 2021 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 third interim dividend of 1.0 sen per share, single tier, for the financial year ended 31 March 2022, amounting to RM 1,652,402, was paid by the Company on 25 March 2022.

A9. Valuations of Property, Plant and Equipment

The properties were revalued during the year based on open market valuations carried out by an independent firm of professional valuers to reflect the market value. The total revaluation surplus recognized in current quarter amounted to RM 7.06 million.

A10. Segmental Reporting

	<u>Revenue</u>		<u>Segment Results</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Manufacturing of wood products	167,731	201,165	29,235	17,547
Distributing of wood products	515,342	416,057	36,925	17,983
Other operating segments	<u>20,322</u>	<u>16,732</u>	<u>(9,969)</u>	<u>(5,941)</u>
	703,395	633,954	56,191	29,589
Elimination of inter-segment revenue:				
- Manufacturing of wood products	(2,555)	(2,668)		
- Distributing of wood products	(16,171)	(13,870)		
- Other operating segments	<u>(19,672)</u>	<u>(16,368)</u>		
	<u>664,997</u>	<u>601,048</u>	56,191	29,589
Fair value adjustments on investment properties			450	-
Interest income			1,181	1,552
Interest expense			(6,505)	(5,215)
Depreciation			<u>(5,811)</u>	<u>(5,166)</u>
Profit before tax			45,506	20,760
Income tax expense			<u>(12,128)</u>	<u>(5,771)</u>
Profit after tax			<u>33,378</u>	<u>14,989</u>
	<u>Assets</u>		<u>Liabilities</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Manufacturing of wood products	141,086	132,824	77,050	81,847
Distributing of wood products	365,856	277,853	187,496	133,228
Other operating segments	<u>127,513</u>	<u>134,808</u>	<u>8,641</u>	<u>8,351</u>
	<u>634,455</u>	<u>545,485</u>	<u>273,187</u>	<u>223,426</u>

A11. Contingent Liabilities

As of 31 March 2022, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 529.10 million (RM 533.60 million as of 31 December 2021) 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 238.11 million as of 31 March 2022 (RM 259.71 million as of 31 December 2021).

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

In May 2022, the balance payment of RM 0.83 million was received from insurance company in relation to the fire incident that occurred in the Group's warehouse in Muar in January 2021. This brings the total claim received from the Group's fire insurance policy to RM 11.58 million.

A14. Capital Commitment

As of 31 March 2022, the Group has the following capital commitments:

	RM'000
Approved and contracted for :	
Acquisition of land	21,630
Construction of building	224
Acquisition of forklift, machineries and equipment	282
	<u>22,136</u>

Additional Information Required by the Bursa Malaysia Listing Requirements

B1. Review of the Performance

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Changes	Current Year To Date Ended	Preceding Year Ended	Changes
	31.03.2022	31.03.2021		31.03.2022	31.03.2021	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	194,801	168,475	15.63	664,997	601,048	10.64
Operating Profit	16,256	6,615	145.74	56,191	29,589	89.91
Profit Before Interest and Tax	15,101	5,323	183.69	50,830	24,423	108.12
Profit Before Tax	13,897	4,980	179.06	45,506	20,760	119.20
Profit After Tax	10,605	3,740	183.56	33,378	14,989	122.68
Profit Attributable to Owners of the Parent	10,605	3,740	183.56	33,378	14,989	122.68

For current quarter ended 31 March 2022, the Group recorded revenue of RM 194.80 million. This represents an increase of 15.63% as compared to RM 168.48 million in the preceding year corresponding quarter ended 31 March 2021. Profit before tax increased 179.06%, from RM 4.98 million to RM 13.90 million.

The Group's revenue for the current year to date ended 31 March 2022 was 10.64% higher than the same period last year. Profit before tax increased 119.20%, from RM 20.76 million to RM 45.51 million. Excluding the loss to inventories and property, plant and equipment of RM 10.23 million as a result of fire incident occurred in previous financial year, and the related net compensation sum of RM 10.55 million received from insurance company in current financial year, profit before tax increased by 12.81%, from RM 30.99 million to RM 34.96 million.

B1. Review of the Performance (continued)

Manufacturing Division

Revenue was recorded at RM 46.96 million for current quarter, representing a decrease of 7.14% as compared to RM 50.57 million in the preceding year corresponding quarter ended 31 March 2021. The drop in revenue was mainly due to slow down in market demand in the furniture industry. However, profit before tax has increased from RM 0.70 million to RM 6.46 million. Excluding the loss to inventories and property, plant and equipment of RM 6.74 million as a result of fire incident occurred in previous financial year, profit before tax decreased by 13.17%, from RM 7.44 million to RM 6.46 million, due mainly to lower revenue recorded.

Revenue was recorded at RM 165.18 million for the twelve months ended 31 March 2022. This represents a decrease of 16.79% as compared to RM 198.50 million in the preceding year ended 31 March 2021. However, profit before tax increased 79.37%, from RM 14.49 million to RM 25.99 million. Excluding the loss to inventories and property, plant and equipment of RM 6.74 million as a result of fire incident occurred in previous financial year, and the related net compensation sum of RM 7.28 million received from insurance company in this financial year, the profit before tax decreased by 11.87%, from RM 21.23 million to RM 18.71 million, as a result of lower revenue recorded from a relatively longer lockdown period.

Distribution Division

Revenue was recorded at RM 147.51 million for the current quarter. This represents an increase of 25.20% as compared to RM 117.82 million in the preceding year corresponding quarter ended 31 March 2021. The increase in revenue was largely due to positive momentum from recovery of business activities. Profit before tax increased from RM 5.05 million to RM 7.99 million. Excluding the loss to inventories of RM 3.49 million as a result of fire incident occurred in previous financial year, profit before tax decreased by 6.44%, from RM 8.54 million to RM 7.99 million. The decrease was due mainly to higher purchase price of distributed products. A fair value loss on investment properties amounted to RM 0.62 million has also resulted in lower profit before tax.

Revenue was recorded at RM 499.17 million for the twelve months ended 31 March 2022. This represents an increase of 24.11% as compared to RM 402.19 million in the preceding year ended 31 March 2021. Profit before tax increased 138.41%, from 11.95 million to RM 28.49 million. Excluding the loss to inventories of RM 3.49 million as a result of fire incident occurred in previous financial year, and the related compensation sum of RM 3.27 million received from insurance company in current financial year, profit before tax increased from RM 15.44 million to RM 25.22 million, largely due to higher revenue, as well as effective stock and costs management.

B2. Variation of Results Against Preceding Quarter

	Current Quarter	Preceding Quarter	Changes
	Ended	Ended	
	31.03.2022	31.12.2021	
	RM'000	RM'000	%
Revenue	194,801	207,728	-6.22
Operating Profit	16,256	22,746	-28.53
Profit Before Interest and Tax	15,101	21,238	-28.90
Profit Before Tax	13,897	19,766	-29.69
Profit After Tax	10,605	13,810	-23.21
Profit Attributable to Owners of the Parent	10,605	13,810	-23.21

For the current quarter under review, the Group's revenue decreased 6.22% as compared to RM 207.73 million in the preceding quarter ended 31 December 2021. Profit before tax decreased from RM 19.77 million to RM 13.90 million.

B3. Prospects

The Board is of the view that the uncertainty in the global economy resulting from the Russian-Ukraine conflict, together with factors like inflation, rise in interest rates and 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 31 March 2022 as follows:

<u>Tax Expense :</u>	<u>Current Quarter</u> <u>RM'000</u>	<u>Year To Date</u> <u>RM'000</u>
Current Tax Expense :		
Current Quarter/Year	3,239	11,451
Under provision in prior year	-	624
Deferred Tax Expense :		
Current Quarter/Year	241	241
Over provision in prior year	(188)	(188)
Total Tax Expense	<u>3,292</u>	<u>12,128</u>

B6. Borrowings

The Group's borrowings are as follows :-.

	As At 31 March 2022		As At 31 March 2021	
	Foreign Denomination	RM Denomination RM'000	Foreign Denomination	RM Denomination RM'000
SHORT TERM				
Unsecured				
Bankers' Acceptances		174,518		122,119
	USD 1,593,799	6,704	USD 2,396,297	9,966
Bank Overdrafts		389		637
	SGD 926	3	SGD 71,702	221
	AUD 0	-	AUD 498	2
Term Loans		3,030		3,018
Revolving Credit		2,507		2,506
Trust Receipts		10,287		5,817
	SGD 3,311,606	5,155	SGD 1,884,205	3,018
	VND 28,015,816,358	9,286	VND 16,763,952,170	6,978
	THB 73,533,986	<u>211,879</u>	THB 52,670,591	<u>154,282</u>
LONG TERM				
Unsecured				
Term Loans		13,426		15,330
		<u>13,426</u>		<u>15,330</u>
TOTAL BORROWINGS				
Bankers' Acceptances		181,222		132,085
Bank Overdrafts		392		860
Term Loans		16,456		18,348
Revolving Credit		2,507		2,506
Trust Receipts		24,728		15,813
		<u>225,305</u>		<u>169,612</u>

B7. Derivatives Financial Instruments

As at 31 March 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	3,293	3,319

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 ended 31 March 2022

The Board proposed a final dividend of 1.0 sen per share, single tier, for the financial year ended 31 March 2022 (1.0 sen per share, single tier, in previous corresponding period).

In addition, the Board is pleased to propose a special final dividend of 1.0 sen per share, single tier, for the financial year ended 31 March 2022.

These dividends are subject to the approval by the shareholders at the forthcoming Annual General Meeting and has not been included as liability in the financial statements. The dates of entitlement and payment will be determined at a later stage.

Total dividend per share for current financial year-to-date will be 5.0 sen.

B10. Earning Per Share

The earning per share is derived as follow :-

	Current Quarter	Current Year To Date
Net profit for the period/year (RM'000)	10,605	33,378
Weighted average number of ordinary shares ('000)	165,240	165,240
Earning per share (sen)	6.42	20.20

B11. Notes to the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

Profit before tax is arrived at after crediting (charging) the following:

	Current Quarter RM'000	Current Year To Date RM'000
Interest income	120	1,181
Other income including investment income		
- fire insurance compensation (net)	-	10,551
- reversal of impairment loss on receivables	124	1,090
- wage subsidy programme	-	505
- others	324	1,076
Interest expense	(1,324)	(6,505)
Depreciation	(1,605)	(5,811)
Provision for and write off of receivables	797	(1,302)
Provision for and write off of inventories	160	(1,537)
Gain/(Loss) on disposal of quoted or unquoted investments	-	-
Gain/(Loss) on disposal of property, plant and equipment	102	196
Fair value adjustments on investment properties		
- gain	1,069	1,069
- loss	(619)	(619)
Impairment of assets	-	-
Gain/(Loss) on foreign exchange	675	1,993
Gain/(Loss) on derivatives	N/A	N/A