

**DOMINANT ENTERPRISE BERHAD**  
(Company No.221206-D)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017**

	<u>FYE2018</u>	<u>FYE2017</u>	<u>FYE2018</u>	<u>FYE2017</u>
	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current Quarter Ended 31.12.2017</b>	<b>Preceding Year Corresponding Quarter Ended 31.12.2016</b>	<b>Current Year To Date Ended 31.12.2017</b>	<b>Preceding Year Ended 31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	172,064	153,385	480,247	427,083
Profit from Operations	11,632	11,112	28,844	26,759
Interest Income	306	254	896	933
Interest Expense	(2,104)	(1,799)	(6,019)	(4,932)
Depreciation and Amortisation	(789)	(722)	(2,324)	(2,162)
Profit Before Tax	9,045	8,845	21,397	20,598
Income Tax Expense	(2,029)	(2,057)	(5,000)	(4,852)
Profit After Tax	7,016	6,788	16,397	15,746
<b>Other Comprehensive Income</b>				
Exchange differences on translating foreign operations	(994)	802	(1,724)	2,312
Fair value changes on available-for-sale financial assets	16	45	56	(4)
<b>Total Comprehensive Income</b>	<b>6,038</b>	<b>7,635</b>	<b>14,729</b>	<b>18,054</b>
<b>Profit attributable to :</b>				
Equity holders of the Company	6,643	6,733	15,757	15,363
Non-Controlling Interest	373	55	640	383
	<b>7,016</b>	<b>6,788</b>	<b>16,397</b>	<b>15,746</b>
<b>Total comprehensive income attributable to :</b>				
Equity holders of the Company	5,676	7,594	14,103	17,685
Non-Controlling Interest	362	41	626	369
	<b>6,038</b>	<b>7,635</b>	<b>14,729</b>	<b>18,054</b>
Earning Per Share				
- Basic (sen)	4.02	4.08	9.54	9.31
- Diluted (sen)	-	-	-	-

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statement for the financial year ended 31st March 2017 and the accompanying explanatory notes to the interim financial reports.

**DOMINANT ENTERPRISE BERHAD**  
**(Company No.221206-D)**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	(Unaudited) As At 31 December 2017 RM'000	(Audited) As At 31 March 2017 RM'000
<b>ASSETS</b>		
<b><u>Non-Current Assets</u></b>		
Property, plant and equipment	106,603	106,993
Investment properties	14,754	14,032
Land held for property development	13,447	13,447
Prepaid lease payments for land	5,218	5,903
Intangible assets	837	837
	<u>140,859</u>	<u>141,212</u>
<b><u>Current Assets</u></b>		
Inventories	136,394	100,238
Trade receivables	170,191	134,779
Other receivables and prepaid expenses	3,007	9,696
Short term investment	37,882	36,953
Cash and cash equivalents	4,981	12,696
	<u>352,455</u>	<u>294,362</u>
<b>TOTAL ASSETS</b>	<b><u>493,314</u></b>	<b><u>435,574</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b><u>Equity Attributable To Owners Of The Company</u></b>		
Issued capital	83,097	82,837
Other reserves	37,019	38,673
Retained Earnings	132,013	123,686
	<u>252,129</u>	<u>245,196</u>
<b>Non - Controlling Interest</b>	755	129
<b>Total Equity</b>	<b><u>252,884</u></b>	<b><u>245,325</u></b>
<b><u>Non-Current Liabilities</u></b>		
Bank borrowings	5,821	8,458
Deferred tax liabilities	5,711	5,711
	<u>11,532</u>	<u>14,169</u>
<b><u>Current Liabilities</u></b>		
Trade payables	30,186	24,808
Other payables and accrued expenses	7,392	7,018
Bank borrowings	190,591	143,555
Current tax liabilities	729	699
	<u>228,898</u>	<u>176,080</u>
<b>Total Liabilities</b>	<b><u>240,430</u></b>	<b><u>190,249</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>493,314</u></b>	<b><u>435,574</u></b>
Net assets per share (RM)	1.52	1.48

**The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2017 and the accompanying explanatory notes to the interim financial reports.**

**DOMINANT ENTERPRISE BERHAD**

(Company No.221206-D)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)**

	<u>Issued Capital</u> RM'000	<u>Share Premium</u> RM'000	<u>Other Reserves</u> RM'000	<u>Retained Earnings</u> RM'000	<u>Total</u> RM'000	<u>Non- Controlling Interest</u> RM'000	<u>Total Equity</u> RM'000
<b>Balance as at 1 April 2016</b>	82,520	317	35,301	108,994	227,132	(359)	226,773
Total comprehensive income for the year	-	-	2,322	15,363	17,685	369	18,054
Dividend	-	-	-	(5,776)	(5,776)	-	(5,776)
<b>Balance as at 31 December 2016</b>	<u>82,520</u>	<u>317</u>	<u>37,623</u>	<u>118,581</u>	<u>239,041</u>	<u>10</u>	<u>239,051</u>
<b>Balance as at 1 April 2017</b>	82,837	-	38,673	123,686	245,196	129	245,325
Issuance of shares - pursuant to exercise of warrants	260	-	-	-	260	-	260
Total comprehensive income for the year	-	-	(1,654)	15,757	14,103	626	14,729
Dividend	-	-	-	(7,430)	(7,430)	-	(7,430)
<b>Balance as at 31 December 2017</b>	<u>83,097</u>	<u>-</u>	<u>37,019</u>	<u>132,013</u>	<u>252,129</u>	<u>755</u>	<u>252,884</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 2017 and the accompanying explanatory notes to the interim financial reports.

**DOMINANT ENTERPRISE BERHAD**  
(Company No.221206-D)

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

	<b>Financial Period Ended 31.12.2017 RM'000</b>	<b>Financial Period Ended 31.12.2016 RM'000</b>
Profit for the period	16,397	15,746
<b>Adjustments for : -</b>		
Non-cash items	3,279	1,441
Non-operating items	5,123	3,999
Taxation	5,000	4,852
<i>Operating profit before changes in working capital</i>	<u>29,799</u>	<u>26,038</u>
<b>Changes in working capital</b>		
Net change in current assets	(67,415)	(54,200)
Net change in current liabilities	5,973	7,062
<i>Cash used in operations</i>	(31,643)	(21,100)
Interest paid	(78)	(146)
Income tax paid	(4,961)	(3,782)
<b>Net cash used in operating activities</b>	<u>(36,682)</u>	<u>(25,028)</u>
<i>Cash flows from / (used in) investing activities</i>		
Interest received	896	933
Proceeds from disposal of property, plant and equipment	121	874
Purchase of property, plant and equipment	(2,475)	(8,741)
Purchase of investment properties	(722)	-
Placement of short term investment	(873)	(911)
<b>Net cash used in investing activities</b>	<u>(3,053)</u>	<u>(7,845)</u>
<i>Cash flows from / (used in) financing activities</i>		
Net proceeds from/ repayment of short-term borrowings	48,519	33,152
Dividends paid	(7,430)	(5,776)
Issue of shares	260	-
Interest paid on bank borrowings	(5,941)	(4,786)
Net proceeds from/ repayment of hire-purchase payables	(163)	(30)
Net proceeds from/ repayments of term loans	(4,464)	1,253
<b>Net cash from financing activities</b>	<u>30,781</u>	<u>23,813</u>
<b>Net Changes in Cash &amp; Cash Equivalents</b>	<u>(8,954)</u>	<u>(9,060)</u>
Adjustment for foreign exchange differentials	(437)	114
Cash & Cash Equivalents at beginning of financial period	<u>10,258</u>	<u>11,771</u>
Cash & Cash Equivalents at end of financial period	<u><u>867</u></u>	<u><u>2,825</u></u>
* Cash and cash equivalents at end of financial period comprise the following :		
Cash and bank balances	4,981	5,719
Less: Bank overdrafts		
(included within short term borrowings in Note B6)	(4,114)	(2,894)
	<u>867</u>	<u>2,825</u>

**The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2017 and the accompanying explanatory notes to the interim financial reports.**

**UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

**Notes to the Interim Financial Report**

**A1. Accounting Policies**

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 2017. The explanatory notes attached to the interim financial statements provide an explanation on 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 2017.

**A2. Change in Accounting Policies**

The accounting policies adopted are consistent with those in the audited financial statements for the financial year ended 31 March 2017. The Group has adopted all the new and revised MFRSs and Issues Committee Interpretations ("IC Int.") issued by the Malaysian Accounting Standards Board ("MASB") effective for annual financial periods beginning on or after 1 January 2017. The adoption has no significant 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 2017 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**

In the 3<sup>rd</sup> Quarter ended 31 December 2017, the Company increased its issued and paid-up capital from RM 82,967,247 to RM 83,097,247 by way of issuance of 100,000 ordinary shares pursuant to the exercise of 100,000 warrants at the exercise price of RM 1.30 each.

**A8. Dividend Paid**

For financial year ending 31 March 2018

A first interim dividend of 2.0 sen per share, single tier, in respect of financial year ending 31 March 2018, amounting to RM 3,300,801, was paid by the company on 25 October 2017.

A second interim dividend of 1.5 sen per share, single tier, in respect of financial year ending 31 March 2018, amounting to RM 2,478,601, was paid by the company on 21 December 2017.

#### A9. Valuations of Property, Plant and Equipment

There is no significant changes during the financial year.

#### A10. Segmental Reporting

	<u>Revenue</u>		<u>Segment Results</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Manufacturing of wood products	108,889	90,823	11,670	8,873
Distributing of wood products	390,442	357,330	18,817	18,648
Other operating segments	<u>5,212</u>	<u>2,882</u>	<u>(1,643)</u>	<u>(762)</u>
	504,543	451,035	28,844	26,759
Elimination of inter-segment revenue:				
- Manufacturing of wood products	(3,646)	(5,430)		
- Distributing of wood products	(15,515)	(16,046)		
- Other operating segments	<u>(5,135)</u>	<u>(2,476)</u>		
	<u>480,247</u>	<u>427,083</u>	28,844	26,759
Interest income			896	933
Interest expense			(6,019)	(4,932)
Depreciation and amortisation			<u>(2,324)</u>	<u>(2,162)</u>
Profit before tax			21,397	20,598
Income tax expense			<u>(5,000)</u>	<u>(4,852)</u>
Profit after tax			<u>16,397</u>	<u>15,746</u>

	<u>Assets</u>		<u>Liabilities</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Manufacturing of wood products	95,639	74,055	54,024	39,497
Distributing of wood products	304,728	274,625	173,742	145,690
Other operating segments	<u>92,947</u>	<u>91,851</u>	<u>6,224</u>	<u>9,261</u>
	<u>493,314</u>	<u>440,531</u>	<u>233,990</u>	<u>194,448</u>

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

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

#### A12. Subsequent Material Events

There are no subsequent material events that are required to be reflected in the current quarter.

#### A13. Contingent Liabilities

As of 31 December 2017, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 426.38 million (RM 417.98 million in September 2017) which are guaranteed by the Company. Accordingly, the Company is contingently liable to the extent of credit facilities utilised by its subsidiary companies as of period-end amounting to about RM 206.80 million (181.18 million in September 2017).

#### A14. Capital Commitment

As of 31 December 2017, the Group has the following capital commitments:

	RM'000
Approved and contracted for :	
Construction of building	2,370
Implementation of ERP system	172
	<u>2,542</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
	31.12.2017	31.12.2016		31.12.2017	31.12.2016	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	172,064	153,385	12.18	480,247	427,083	12.45
Operating Profit	11,632	11,112	4.68	28,844	26,759	7.79
Profit Before Interest and Tax	10,843	10,390	4.36	26,520	24,597	7.82
Profit Before Tax	9,045	8,845	2.26	21,397	20,598	3.88
Profit After Tax	7,016	6,788	3.36	16,397	15,746	4.13
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	6,643	6,733	-1.34	15,757	15,363	2.56

The Group's revenue for the current year to date ended 31 December 2017 was 12.45% higher than the same period last year due to market share expansion as well as penetration into new markets. Operating profit increased by 7.79%, from RM 26.76 million to RM 28.84 million, mainly due to higher revenue.

For the quarter ended 31 December 2017, the Group recorded a revenue of RM 172.06 million. This represents an increase of 12.18% as compared to RM 153.39 million in the preceding year corresponding quarter ended 31 December 2016. Operating profit increased by 4.68%, from RM 11.11 million to RM 11.63 million.

##### Manufacturing Division

The revenue was recorded at RM 35.96 million for current quarter, representing an increase of 18.60% as compared to RM 30.32 million in the preceding year corresponding quarter ended 31 December 2016. The increase in revenue was mainly due to market share expansion and favourable market trends, which enables the Group to grow continuously.

The operating profit has increased by 4.34%, from RM 3.46 million to RM 3.61 million. The increase in operating profit was mainly due to higher revenue.

The revenue was recorded at RM 105.24 million for the nine months ended 31 December 2017. This represented an increase of 23.25% as compared to RM 85.39 million in the preceding year ended 31 December 2016. Operating profit increased by 31.57%, from RM 8.87 million to RM 11.67 million.

##### Distribution Division

The revenue was recorded at RM 136.11 million for current quarter. This represented an increase of 10.76% as compared to RM 122.89 million in the preceding year corresponding quarter ended 31 December 2016. The increase in revenue was mainly contributed by additional market share captured as well as penetration into new markets.

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

Operating profit has increased by 9.83%, from RM 7.73 million to RM 8.49 million. The increase is in line with the increase of revenue.

The revenue was recorded at RM 374.93 million for the nine months ended 31 December 2017. This represented an increase of 9.86% as compared to RM 341.28 million in the preceding year ended 31 December 2016. Operating profit increased slightly by 0.91%, from RM 18.65 million to RM 18.82 million.

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

	Current Quarter Ended	Preceding Quarter Ended	Changes
	31.12.2017	30.09.2017	
	RM'000	RM'000	
Revenue	172,064	158,478	8.57
Operating Profit	11,632	7,855	48.08
Profit Before Interest and Tax	10,843	7,056	53.67
Profit Before Tax	9,045	5,592	61.75
Profit After Tax	7,016	4,249	65.12
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	6,643	4,097	62.14

For current quarter under review, the Group's revenue increased by 8.57% as compared to RM 158.48 million in the preceding quarter ended 30 September 2017. The profit before tax ("PBT") increased from RM 5.59 million to RM 9.05 million.

**B3. Prospects**

The Board is of the view that the wood panel products' prices are not expected to experience any significant volatility. However, the raw material costs and foreign exchange rates may affect the company's profit performance.

The Company will continue to leverage its competitive strengths of its economies of scale to lower its costs of production, in order to achieve satisfactory performance in coming financial year.

**B4. Taxation**

The taxation is calculated based on the profit for the financial year ended 31 December 2017 comprises the following:

	Current Quarter RM'000	Year To Date RM'000
<u>Income tax Expenses :</u>		
Current Tax Expense :		
Current Quarter/Year	2,029	5,000
	<u>2,029</u>	<u>5,000</u>



**B5. Status of Corporate Proposals**

There was no corporate proposal for the quarter under review.

**B6. Borrowings**

The Group's borrowings are as follows :-

	As At 31 December 2017		As At 31 March 2017	
	Foreign Denomination	RM Denomination RM'000	Foreign Denomination	RM Denomination RM'000
<b>SHORT TERM</b>				
<b>Unsecured</b>				
Bankers' Acceptances		146,282		110,380
	AUD 267,116	846	AUD 183,830	622
	USD 4,598,275	16,429	USD 2,845,718	12,945
	VND 16,421,528,772	2,939	VND 1,402,500,000	273
Bank Overdrafts		3,310		964
	SGD 0	0	SGD 15,265	48
	AUD 0	0	AUD 66,613	225
	THB 6,468,465	804	THB 9,349,642	1,201
Term Loans		3,909		5,197
Revolving Credit		3,013		3,612
Trust Receipts	SGD 4,247,418	12,908	SGD 2,473,990	7,834
<b>Secured</b>				
Hire Purchase Creditors		151		254
		<u>190,591</u>		<u>143,555</u>
<b>LONG TERM</b>				
<b>Unsecured</b>				
Term Loans		5,751		8,328
<b>Secured</b>				
Hire Purchase Creditors		70		130
		<u>5,821</u>		<u>8,458</u>
<b>TOTAL BORROWINGS</b>				
Bankers' Acceptances		166,496		124,220
Bank Overdrafts		4,114		2,438
Term Loans		9,660		13,525
Revolving Credit		3,013		3,612
Trust Receipts		12,908		7,834
Hire Purchase Creditors		221		384
		<u>196,412</u>		<u>152,013</u>

**B7. Derivatives Financial Instruments**

As at 31 December 2017, 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	20,369	20,205

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**

The Board proposed a third interim dividend of 2.0 sen per share, single tier, for the financial year ending 31 March 2018 to be paid on 22 March 2018 to shareholders whose names appear in the Record of Depositors on 14 March 2018.

Total dividend per share for current financial year to-date is 5.5 sen.

**B10. Earnings Per Share ("EPS")**

The EPS is derived as follow :-

	<b>Current Quarter</b>	<b>Current Year To Date</b>
Net profit for the period/year (RM'000)	6,643	15,757
Weighted average number of ordinary shares ('000)	165,132	165,104
EPS (sen)	4.02	9.54

**B11. Notes to the Condensed Consolidated Statement of 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	306	896
Other income including investment income	549	2,056
Interest expense	(2,104)	(6,019)
Depreciation and amortisation	(789)	(2,324)
Provision for and write off of receivables	(214)	(185)
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	(34)	(39)
Impairment of assets	-	-
Gain/(Loss) on foreign exchange	(140)	(148)
Gain/(Loss) on derivatives	N/A	N/A