

DOMINANT ENTERPRISE BERHAD
(Company No.221206-D)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FOURTH QUARTER ENDED 31 MARCH 2017

	<u>FYE2017</u>	<u>FYE2016</u>	<u>FYE2017</u>	<u>FYE2016</u>
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 31.03.2017	Preceding Year Corresponding Quarter Ended 31.03.2016	Current Year To Date Ended 31.03.2017	Preceding Year Ended 31.03.2016
	RM'000	RM'000	RM'000	RM'000
Revenue	145,567	125,658	572,650	540,573
Profit from Operations	10,485	2,864	37,244	25,709
Interest Income	283	334	1,216	1,344
Interest Expense	(989)	(1,066)	(5,921)	(6,473)
Depreciation and Amortisation	(731)	(716)	(2,893)	(2,911)
Profit Before Tax	9,048	1,416	29,646	17,669
Income Tax Expense	(1,341)	(1,281)	(6,193)	(5,357)
Profit After Tax	7,707	135	23,453	12,312
Other Comprehensive Income				
Exchange differences on translating foreign operations	854	(1,439)	3,166	1,988
Fair value changes on available-for-sale financial assets	26	-	22	(23)
Gain on revaluation of properties	163	145	163	145
Total Comprehensive Income	8,750	(1,159)	26,804	14,422
Profit attributable to :				
Equity holders of the Company	7,581	108	22,944	12,337
Non-Controlling Interest	126	27	509	(25)
	7,707	135	23,453	12,312
Total comprehensive income attributable to :				
Equity holders of the Company	8,631	(1,193)	26,316	14,440
Non-Controlling Interest	119	34	488	(18)
	8,750	(1,159)	26,804	14,422
Earning Per Share				
- Basic (sen)	4.59	0.07	13.90	7.48
- 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 2016 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 March 2017 RM'000	(Audited) As At 31 March 2016 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	106,993	97,818
Investment properties	14,032	13,992
Land held for property development	13,447	13,447
Prepaid lease payments for land	5,903	5,288
Intangible assets	837	837
	141,212	131,382
Current Assets		
Inventories	100,238	79,626
Trade receivables	134,831	117,320
Other receivables and prepaid expenses	9,695	6,015
Current tax assets	412	-
Short term investment	36,953	35,748
Cash and cash equivalents	12,644	13,663
	294,773	252,372
TOTAL ASSETS	435,985	383,754
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of The Company		
Issued capital	82,837	82,520
Share premium	-	317
Other reserves	38,673	35,301
Retained Earnings	123,686	108,994
	245,196	227,132
Non - Controlling Interest	129	(359)
Total Equity	245,325	226,773
Non-Current Liabilities		
Hire purchase creditors	130	200
Bank borrowings	8,328	9,175
Deferred tax liabilities	5,711	5,785
	14,169	15,160
Current Liabilities		
Trade payables	24,808	17,753
Other payables and accrued expenses	7,017	6,450
Hire purchase creditors	254	312
Bank borrowings	143,301	117,162
Current tax liabilities	1,111	144
	176,491	141,821
Total Liabilities	190,660	156,981
TOTAL EQUITY AND LIABILITIES	435,985	383,754
Net assets per share (RM)	1.48	1.37

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2016 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
Balance as at 1 April 2015	68,767	317	33,198	116,461	218,743	(341)	218,402
Issuance of shares - pursuant to bonus issue	13,753	-	-	(13,753)	-	-	-
Total comprehensive income for the year	-	-	2,103	12,337	14,440	(18)	14,422
Dividend	-	-	-	(6,051)	(6,051)	-	(6,051)
Balance as at 31 March 2016	<u>82,520</u>	<u>317</u>	<u>35,301</u>	<u>108,994</u>	<u>227,132</u>	<u>(359)</u>	<u>226,773</u>
Balance as at 1 April 2016	82,520	317	35,301	108,994	227,132	(359)	226,773
Total comprehensive income for the year	-	-	3,372	22,944	26,316	488	26,804
Reclassification	317	(317)	-	-	-	-	-
Dividend	-	-	-	(8,252)	(8,252)	-	(8,252)
Balance as at 31 March 2017	<u>82,837</u>	<u>-</u>	<u>38,673</u>	<u>123,686</u>	<u>245,196</u>	<u>129</u>	<u>245,325</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 2016 and the accompanying explanatory notes to the interim financial reports.

DOMINANT ENTERPRISE BERHAD
(Company No.221206-D)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)

	Financial Year Ended 31.03.2017 RM'000	Financial Year Ended 31.03.2016 RM'000
Profit for the year	23,453	12,312
Adjustments for : -		
Non-cash items	2,586	6,212
Non-operating items	4,705	5,129
Taxation	6,193	5,357
	<hr/>	<hr/>
<i>Operating profit before changes in working capital</i>	36,937	29,010
Changes in working capital		
Net change in current assets	(39,057)	9,046
Net change in current liabilities	8,366	(7,567)
	<hr/>	<hr/>
<i>Cash generated from operations</i>	6,246	30,489
Income tax refunded	-	9
Interest paid	(200)	(166)
Income tax paid	(5,774)	(7,568)
	<hr/>	<hr/>
Net cash from operating activities	272	22,764
<i>Cash flows from / (used in) investing activities</i>		
Interest received	1,216	1,343
Proceeds from disposal of property, plant and equipment	880	4
Purchase of property, plant and equipment	(11,378)	(13,617)
Purchase of land held for property development	-	(55)
Placement of short term investment	(1,183)	(35,771)
	<hr/>	<hr/>
Net cash used in investing activities	(10,465)	(48,096)
<i>Cash flows from / (used in) financing activities</i>		
Net proceeds from/ repayment of short-term borrowings	22,444	(2,628)
Dividends paid	(8,252)	(6,051)
Interest paid on bank borrowings	(5,721)	(6,307)
Net proceeds from/ repayment of hire-purchase payables	(128)	(281)
Net proceeds from/ repayments of term loans	175	3,464
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Net cash from/ (used in) financing activities	8,518	(11,803)
	<hr/>	<hr/>
Net Changes in Cash & Cash Equivalents	(1,675)	(37,135)
Adjustment for foreign exchange differentials	110	(168)
Cash & Cash Equivalents at beginning of financial year	11,771	49,074
	<hr/>	<hr/>
Cash & Cash Equivalents at end of financial year	10,206	11,771
	<hr/> <hr/>	<hr/> <hr/>
* Cash and cash equivalents at end of financial year comprise the following :		
Cash and bank balances	12,644	13,662
Less: Bank overdrafts		
(included within short term borrowings in Note B6)	(2,438)	(1,891)
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	10,206	11,771
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The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2016 and the accompanying explanatory notes to the interim financial reports.

UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 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 2016. 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 2016.

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 2016. 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 2016. 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 2016 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 are no issuance and repayment of debts and equity securities during the current quarter and the financial year to date.

A8. Dividend Paid

A third interim dividend of 1.5 sen per share, single tier, in respect of financial year ended 31 March 2017, amounting to RM 2,475,601, was paid by the company on 22 March 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Manufacturing of wood products	124,068	115,683	12,546	10,515
Distributing of wood products	477,216	451,663	25,675	16,691
Other operating segments	12,525	22,869	(977)	(1,497)
	<u>613,809</u>	<u>590,215</u>	<u>37,244</u>	<u>25,709</u>
Elimination of inter-segment revenue:				
- Manufacturing of wood products	(6,380)	(8,492)		
- Distributing of wood products	(22,834)	(18,685)		
- Other operating segments	(11,945)	(22,465)		
	<u>572,650</u>	<u>540,573</u>	<u>37,244</u>	<u>25,709</u>
Interest income			1,216	1,344
Interest expense			(5,921)	(6,473)
Depreciation and amortisation			(2,893)	(2,911)
Profit before tax			29,646	17,669
Income tax expense			(6,193)	(5,357)
Profit after tax			<u>23,453</u>	<u>12,312</u>

	<u>Assets</u>		<u>Liabilities</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Manufacturing of wood products	74,068	69,514	40,446	35,578
Distributing of wood products	268,788	228,387	134,439	108,254
Other operating segments	92,717	85,853	8,953	7,220
	<u>435,573</u>	<u>383,754</u>	<u>183,838</u>	<u>151,052</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 March 2017, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 417.35 million (RM 418.95 million in December 2016) 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 year-end amounting to about RM 157.08 million (RM 169.27 million in December 2016).

A14. Capital Commitment

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

	RM'000
Approved and contracted for :	
Construction of building	449
Acquisition of land	346
Implementation of ERP system	172
	<u>967</u>

Additional Information Required by the Bursa Malaysia Listing Requirements

B1. Review of the Performance

For the quarter ended 31 March 2017, the Group recorded a revenue of RM 145.57 million. This represents an increase of 15.84% as compared to RM 125.66 million in the preceding year corresponding quarter ended 31 March 2016. Operating profit has increased by 266.78%, from RM 2.86 million to RM 10.49 million.

For the year ended 31 March 2017, the Group recorded a revenue of RM 572.65 million. This represents an increase of 5.93% as compared to RM 540.57 million in the preceding year ended 31 March 2016. Operating profit has increased by 44.85%, from RM 25.71 million to RM 37.24 million.

Manufacturing Division

The revenue was recorded at RM 32.30 million for current quarter, representing an increase of 32.38% as compared to RM 24.40 million in the preceding year corresponding quarter ended 31 March 2016. The increase in revenue was mainly due to market share expansion, which enables the Group to grow continuously.

The operating profit has increased by 61.67%, from RM 2.27 million to RM 3.67 million. The increase in operating profit was mainly due to higher revenue and the advantages gained from economies of scale. In addition, development of new products as well as better margin achieved through high margin products has also contributed to the increase.

The revenue was recorded at RM 117.69 million for current year. This represented an increase of 9.80% as compared to RM 107.19 million in the preceding year ended 31 March 2016. Operating profit increased by 19.30%, from RM 10.52 million to RM 12.55 million.

Distribution Division

The revenue was recorded at RM 113.10 million for current quarter. This represented an increase of 11.69% as compared to RM 101.26 million in the preceding year corresponding quarter ended 31 March 2016. The increase in revenue was mainly contributed by additional market share captured as well as penetration into new markets.

Operating profit has increased by 480.99% from RM 1.21 million to RM 7.03 million. Excluding the additional allowance for doubtful debts in previous year which amounted to RM 3.47 million, the operating profit increased by 50.21%, from 4.68 million to RM 7.03 million, mainly attributable to higher revenue as well as the decline in cost of goods sold and costs management.

The revenue was recorded at RM 454.38 million for current year. This represented an increase of 4.94% as compared to RM 432.98 million in the preceding year ended 31 March 2016. Operating profit increased by 53.86%, from RM 16.69 million to RM 25.68 million. Excluding the additional allowance for doubtful debts in previous year of RM 3.47 million, the operating profit increased by 27.38%.

B2. Variation of Results Against Preceding Quarter

For current quarter under review, the Group's revenue decreased by 5.10% as compared to RM 153.39 million in the preceding quarter ended 31 December 2016. The profit before tax ("PBT") increased from RM 8.85 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 March 2017 comprises the following:

	Current Quarter <u>RM'000</u>	Year To Date <u>RM'000</u>
<u>Income tax Expenses :</u>		
Current Tax Expense :		
Current Quarter/Year	1,341	6,193
	<u>1,341</u>	<u>6,193</u>

B5. Status of Corporate Proposals

There was no corporate proposal for the quarter under review.

B6. Borrowings

The Group's borrowings as at the end of the reporting year are 100% unsecured :-

	As At 31 March 2017 <u>RM'000</u>	As At 31 March 2016 <u>RM'000</u>
Short Term Borrowings	143,301	117,162
Long Term Borrowings	8,328	9,175
	<u>151,629</u>	<u>126,337</u>

B7. Material Litigation

Not applicable.

B8. Derivatives Financial Instruments

As at 31 March 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	20,118	20,238

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.

B9. Proposed Dividend

The Board proposed a final dividend of 1.0 sen per share, single tier, for the financial year ended 31 March 2017(also 1 sen per share, single tier, in previous corresponding period).

This dividend is 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 later stage.

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

B10. Earnings Per Share ("EPS")

The EPS is derived as follow :-

	Current Quarter	Current Year To Date
Net profit for the period/year (RM'000)	7,581	22,944
Weighted average number of ordinary shares ('000)	165,040	165,040
EPS (sen)	4.59	13.90

B11. Realised and Unrealised Profit/Losses Disclosure

	Current Year To Date 31.03.2017 RM'000	As At Financial Year Ended 31.03.2016 RM'000
Retained Earning		
- Realised	120,587	106,341
- Unrealised	1,533	578
	122,120	106,919
Consolidation Adjustment	1,566	2,075
Total Group Retained Earning as per Consolidated Accounts	123,686	108,994

B12. Notes to the Condensed Consolidated Statement of 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	283	1,216
Other income including investment income	734	3,809
Interest expense	(989)	(5,921)
Depreciation and amortisation	(731)	(2,893)
Provision for and write off of receivables	(295)	(411)
Provision for and write off of inventories	(50)	(50)
Gain/(Loss) on disposal of quoted or unquoted investments	-	-
Gain/(Loss) on disposal of property, plant and equipment	(2)	183
Impairment of assets	-	-
Gain/(Loss) on foreign exchange	566	1,382
Gain/(Loss) on derivatives	N/A	N/A