

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE FOURTH QUARTER ENDED 31 MARCH 2019**

	<u>FYE2019</u>	<u>FYE2018</u>	<u>FYE2019</u>	<u>FYE2018</u>
	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current Quarter Ended 31.03.2019</b>	<b>Preceding Year Corresponding Quarter Ended 31.03.2018</b>	<b>Current Year To Date Ended 31.03.2019</b>	<b>Preceding Year Ended 31.03.2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	173,813	176,493	729,891	656,740
Profit from Operations	9,489	16,840	47,382	45,684
Interest Income	362	321	1,399	1,217
Interest Expense	(1,890)	(1,745)	(10,191)	(7,764)
Depreciation and Amortisation	(864)	(733)	(3,281)	(3,057)
Profit Before Tax	7,097	14,683	35,309	36,080
Income Tax Expense	(2,694)	(2,671)	(9,167)	(7,671)
Profit After Tax	4,403	12,012	26,142	28,409
<b>Other Comprehensive Income</b>				
Exchange differences on translating foreign operations	(170)	(1,330)	587	(3,054)
Fair value changes on available-for-sale financial assets	(185)	15	(69)	71
Gain on revaluation of properties	1,018	-	1,018	-
<b>Total Comprehensive Income</b>	<b>5,066</b>	<b>10,697</b>	<b>27,678</b>	<b>25,426</b>
<b>Profit attributable to :</b>				
Equity holders of the Company	4,403	11,853	26,142	27,610
Non-Controlling Interest	-	159	-	799
	<b>4,403</b>	<b>12,012</b>	<b>26,142</b>	<b>28,409</b>
<b>Total comprehensive income attributable to :</b>				
Equity holders of the Company	5,066	10,479	27,678	24,582
Non-Controlling Interest	-	218	-	844
	<b>5,066</b>	<b>10,697</b>	<b>27,678</b>	<b>25,426</b>
Earning Per Share				
- Basic (sen)	2.66	7.02	15.82	16.72
- Diluted (sen)	2.66	7.01	15.82	16.72

**The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statement for the financial year ended 31st March 2018 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 2019 RM'000	(Audited) As At 31 March 2018 RM'000
<b>ASSETS</b>		
<b><u>Non-Current Assets</u></b>		
Property, plant and equipment	126,109	104,335
Investment properties	722	14,754
Land held for property development	13,447	13,447
Prepaid lease payments for land	5,351	4,823
Goodwill	837	837
	<u>146,466</u>	<u>138,196</u>
<b><u>Current Assets</u></b>		
Inventories	150,488	128,612
Trade receivables	164,607	177,137
Other receivables and prepaid expenses	8,669	6,357
Current tax assets	254	345
Short term investments	45,250	43,711
Cash and bank balances	10,286	7,801
	<u>379,554</u>	<u>363,963</u>
<b>TOTAL ASSETS</b>	<b><u>526,020</u></b>	<b><u>502,159</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b><u>Equity Attributable To Owners Of The Company</u></b>		
Issued capital	83,097	83,097
Other reserves	35,042	33,506
Retained Earnings	158,119	143,544
<b>Total Equity</b>	<b><u>276,258</u></b>	<b><u>260,147</u></b>
<b><u>Non-Current Liabilities</u></b>		
Borrowings	2,913	5,009
Deferred tax liabilities	7,834	5,707
	<u>10,747</u>	<u>10,716</u>
<b><u>Current Liabilities</u></b>		
Trade payables	29,108	27,026
Other payables and accrued expenses	9,528	9,140
Borrowings	198,274	192,950
Current tax liabilities	2,105	2,180
	<u>239,015</u>	<u>231,296</u>
<b>Total Liabilities</b>	<b><u>249,762</u></b>	<b><u>242,012</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>526,020</u></b>	<b><u>502,159</u></b>
Net assets per share (RM)	1.66	1.57

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2018 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)**

	<b>Issued <u>Capital</u> RM'000</b>	<b>Other <u>Reserves</u> RM'000</b>	<b>Retained <u>Earnings</u> RM'000</b>	<b><u>Total</u> RM'000</b>	<b>Non- Controlling <u>Interest</u> RM'000</b>	<b>Total <u>Equity</u> RM'000</b>
<b>Balance as at 1 April 2017</b>	82,837	38,673	123,686	245,196	129	245,325
Issuance of ordinary shares pursuant to warrants exercised	260	-	-	260	-	260
Acquisition of shares from non-controlling interest	-	-	844	844	(973)	(129)
Total comprehensive income for the year	-	(3,029)	27,611	24,582	844	25,426
Disposal of leasehold land and building, net of tax	-	(2,138)	2,138	-	-	-
Dividend	-	-	(10,735)	(10,735)	-	(10,735)
<b>Balance as at 31 March 2018</b>	<b>83,097</b>	<b>33,506</b>	<b>143,544</b>	<b>260,147</b>	<b>-</b>	<b>260,147</b>
<b>Balance as at 1 April 2018</b>	83,097	33,506	143,544	260,147	-	260,147
Total comprehensive income for the year	-	1,536	26,142	27,678	-	27,678
Dividend	-	-	(11,567)	(11,567)	-	(11,567)
<b>Balance as at 31 March 2019</b>	<b>83,097</b>	<b>35,042</b>	<b>158,119</b>	<b>276,258</b>	<b>-</b>	<b>276,258</b>

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 2018 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 Year Ended 31.03.2019 RM'000</b>	<b>Financial Year Ended 31.03.2018 RM'000</b>
Profit for the year	26,142	28,409
<b>Adjustments for : -</b>		
Non-cash items	4,258	2,458
Non-operating items	8,792	6,547
Taxation	9,167	7,671
<i>Operating profit before changes in working capital</i>	<u>48,359</u>	<u>45,085</u>
<b>Changes in working capital</b>		
Net change in current assets	(11,794)	(71,763)
Net change in current liabilities	2,489	4,661
<i>Cash from / (used in) operations</i>	39,054	(22,017)
Income tax refunded	142	-
Interest paid	(337)	(140)
Income tax paid	(9,300)	(6,503)
<b>Net cash from / (used in) operating activities</b>	<u>29,559</u>	<u>(28,660)</u>
<i>Cash flows from / (used in) investing activities</i>		
Interest received	1,399	1,217
Proceeds from disposal of property, plant and equipment	88	5,918
Purchase of property, plant and equipment	(8,001)	(4,901)
Acquisition of shares in a subsidiary	-	(128)
Purchase of investment properties	-	(722)
Placement of short term investments	(1,370)	(6,687)
<b>Net cash used in investing activities</b>	<u>(7,884)</u>	<u>(5,303)</u>
<i>Cash flows from / (used in) financing activities</i>		
Net drawdown from borrowings	5,662	52,674
Dividends paid	(11,567)	(10,735)
Proceeds from shares issued	-	260
Interest paid	(9,855)	(7,623)
Proceeds from / (Repayments of) hire-purchase payables	204	(265)
Repayments of term loans	(3,366)	(5,768)
<b>Net cash (used in) / from financing activities</b>	<u>(18,922)</u>	<u>28,543</u>
<b>Net Changes in Cash &amp; Cash Equivalents</b>	2,753	(5,420)
Adjustment for foreign exchange differentials	(224)	(430)
Cash & Cash Equivalents at beginning of financial year	4,408	10,258
Cash & Cash Equivalents at end of financial year	<u><u>6,937</u></u>	<u><u>4,408</u></u>
* Cash and cash equivalents at end of financial year comprise the following :		
Cash and bank balances	10,286	7,801
Less: Bank overdrafts		
(included within short term borrowings in Note B6)	(3,349)	(3,393)
	<u><u>6,937</u></u>	<u><u>4,408</u></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 2018 and the accompanying explanatory notes to the interim financial reports.**

**UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

**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 2018. 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 2018.

**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 2018 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 2018 as follows:

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contract with Customers
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 15	Clarification to MFRS 15
Amendments to MFRS 140	Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

The above pronouncements are either not relevant or do not have significant impact on the interim financial statements of the Group upon their initial application.

**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 2018 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

For financial year ended 31 March 2019

A third interim dividend of 2.0 sen per share, single tier, for the financial year ended 31 March 2019, amounting to RM 3,304,801, was paid by the Company on 22 March 2019.

## 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 1.02 million.

## A10. Segmental Reporting

	<u>Revenue</u>		<u>Segment Results</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Manufacturing of wood products	147,390	143,117	14,261	14,430
Distributing of wood products	609,204	539,156	34,953	33,327
Other operating segments	<u>17,562</u>	<u>18,862</u>	<u>(1,832)</u>	<u>(2,073)</u>
	<u>774,156</u>	<u>701,135</u>	<u>47,382</u>	<u>45,684</u>
Elimination of inter-segment revenue:				
- Manufacturing of wood products	(4,819)	(4,991)		
- Distributing of wood products	(22,580)	(20,818)		
- Other operating segments	<u>(16,866)</u>	<u>(18,586)</u>		
	<u>729,891</u>	<u>656,740</u>	<u>47,382</u>	<u>45,684</u>
Interest income			1,399	1,217
Interest expense			(10,191)	(7,764)
Depreciation and amortisation			<u>(3,281)</u>	<u>(3,057)</u>
Profit before tax			35,309	36,080
Income tax expense			<u>(9,167)</u>	<u>(7,671)</u>
Profit after tax			<u>26,142</u>	<u>28,409</u>

	<u>Assets</u>		<u>Liabilities</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Manufacturing of wood products	90,179	95,377	54,861	54,969
Distributing of wood products	340,319	313,217	181,314	173,591
Other operating segments	<u>95,268</u>	<u>93,220</u>	<u>3,648</u>	<u>5,565</u>
	<u>525,766</u>	<u>501,814</u>	<u>239,823</u>	<u>234,125</u>

## A11. Contingent Liabilities

As of 31 March 2019, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 458.28 million (RM 435.25 million in December 2018) 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 212.83 million as at 31 March 2019 (RM 236.43 million in December 2018).

## 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 31 March 2019, the Group has the following capital commitments:

	RM'000
Approved and contracted for :	
Acquisition of land	8,957
Construction of building	9,986
	<u>18,943</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
	31.03.2019	31.03.2018		31.03.2019	31.03.2018	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	173,813	176,493	-1.52	729,891	656,740	11.14
Operating Profit	9,489	16,840	-43.65	47,382	45,684	3.72
Profit Before Interest and Tax	8,625	16,107	-46.45	44,101	42,627	3.46
Profit Before Tax	7,097	14,683	-51.67	35,309	36,080	-2.14
Profit After Tax	4,403	12,012	-63.34	26,142	28,409	-7.98
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	4,403	11,853	-62.85	26,142	27,610	-5.32

The Group's revenue for the current year to date ended 31 March 2019 was 11.14% higher than the same period last year due to market share expansion from the distribution division. Operating profit increased 3.72%, from RM 45.68 million to RM 47.38 million.

For current quarter ended 31 March 2019, the Group recorded revenue of RM 173.81 million. This represents a decrease of 1.52% as compared to RM 176.49 million in the preceding year corresponding quarter ended 31 March 2018. Operating profit decreased 43.65%, from RM 16.84 million to RM 9.49 million.

#### Manufacturing Division

Revenue was recorded at RM 32.08 million for the current quarter, representing a decrease of 2.43% as compared to RM 32.88 million in the preceding year corresponding quarter ended 31 March 2018.

The operating profit has increased 11.96%, from RM 2.76 million to RM 3.09 million. The increase was driven mainly by concentrating on the production of high margin products, as well as effective costs management.

Revenue was recorded at RM 142.57 million for the twelve months ended 31 March 2019. This represents an increase of 3.21% as compared to RM 138.13 million in the preceding year ended 31 March 2018. Operating profit decreased 1.18%, from RM 14.43 million to RM 14.26 million.

## B1. Review of the Performance (continued)

### Distribution Division

Revenue was recorded at RM 141.64 million for the current quarter. This represents a decrease of 1.23% as compared to RM 143.41 million in the preceding year corresponding quarter ended 31 March 2018.

Operating profit has declined 54.45%, from RM 14.51 million to RM 6.61 million. Excluding the gain arising from the disposal of Butterworth warehouse in prior year which amounted to RM 2.02 million, the operating profit decreased 47.08%, mainly due to higher purchase price of distributed products.

Revenue was recorded at RM 586.63 million for the twelve months ended 31 March 2019. This represents an increase of 13.17% as compared to RM 518.34 million in the preceding year ended 31 March 2018. Operating profit increased 4.86%, from RM 33.33 million to RM 34.95 million.

## B2. Variation of Results Against Preceding Quarter

	Current Quarter Ended	Preceding Quarter Ended	Changes
	31.03.2019	31.12.2018	
	RM'000	RM'000	
Revenue	173,813	189,643	-8.35
Operating Profit	9,489	14,172	-33.04
Profit Before Interest and Tax	8,625	13,347	-35.38
Profit Before Tax	7,097	10,874	-34.73
Profit After Tax	4,403	8,243	-46.58
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	4,403	8,243	-46.58

For the current quarter under review, the Group's revenue decreased 8.35% as compared to RM 189.64 million in the preceding quarter ended 31 December 2018. Profit before tax ("PBT") decreased 34.73%, from RM 10.87 million to RM 7.10 million.

## B3. Prospects

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

The Company will continue to leverage on its competitive strength of economies of scale to lower its costs of production 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 2019 as follows:

	Current Quarter RM'000	Year To Date RM'000
<u>Income tax Expenses :</u>		
Current Tax Expense :		
Current Quarter/Year	2,683	9,156
Deferred Tax Expense :		
Current Quarter/Year	11	11
	<u>2,694</u>	<u>9,167</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 March 2019		As At 31 March 2018	
	Foreign Denomination	RM Denomination RM'000	Foreign Denomination	RM Denomination RM'000
<b>SHORT TERM</b>				
<b>Unsecured</b>				
Bankers' Acceptances		168,161		152,725
	AUD 264,346	764	AUD 553,461	1,583
	USD 0	-	USD 190,458	737
	VND 7,406,147,946	1,303	VND 12,696,554,334	2,152
	THB 71,276,074	9,141	THB 118,511,525	14,665
Bank Overdrafts		1,521		2,413
	SGD 225,226	678	SGD 19,310	57
	AUD 397,065	1,148	AUD 7,389	22
	THB 12,375	2	THB 7,284,837	901
Term Loans		2,319		3,394
	VND 527,597,931	93	VND 0	-
Revolving Credit		3,010		3,010
Trust Receipts	SGD 3,319,153	9,990	SGD 3,786,187	11,156
<b>Secured</b>				
Hire Purchase Creditors		144		135
		<u>198,274</u>		<u>192,950</u>
<b>LONG TERM</b>				
<b>Unsecured</b>				
Term Loans		2,674		4,965
<b>Secured</b>				
Hire Purchase Creditors		239		44
		<u>2,913</u>		<u>5,009</u>
<b>TOTAL BORROWINGS</b>				
Bankers' Acceptances		179,369		171,862
Bank Overdrafts		3,349		3,393
Term Loans		5,086		8,359
Revolving Credit		3,010		3,010
Trust Receipts		9,990		11,156
Hire Purchase Creditors		383		179
		<u>201,187</u>		<u>197,959</u>

**B7. Derivatives Financial Instruments**

As at 31 March 2019, 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	5,869	5,906

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 2019

The Board proposed a final dividend of 1.5 sen per share, single tier, for the financial year ended 31 March 2019 (1.5 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 a later stage.

Total dividend per share for current financial year-to-date is 7.0 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)	4,403	26,142
Weighted average number of ordinary shares ('000)	165,240	165,240
EPS (sen)	2.66	15.82

**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	362	1,399
Other income including investment income	1,526	5,041
Interest expense	(1,890)	(10,191)
Depreciation and amortisation	(864)	(3,281)
Provision for and write off of receivables	(31)	(1,058)
Provision for and write off of inventories	(293)	(293)
Gain/(Loss) on disposal of quoted or unquoted investments	-	-
Gain/(Loss) on disposal of property, plant and equipment	64	62
Impairment of assets	-	-
Gain/(Loss) on foreign exchange	462	2,480
Gain/(Loss) on derivatives	N/A	N/A