

DOMINANT ENTERPRISE BERHAD
(Company No.221206-D)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2010

	<u>FYE2011</u>	<u>FYE2010</u>	<u>FYE2011</u>	<u>FYE2010</u>
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 30.09.2010	Preceding Year Corresponding Quarter Ended 30.09.2009	Current Year To Date Ended 30.09.2010	Preceding Year Corresponding Quarter Ended 30.09.2009
	RM'000	RM'000	RM'000	RM'000
Revenue	83,616	74,658	168,723	151,190
Profit from Operations	4,884	4,854	11,279	10,730
Finance Costs	(958)	(292)	(1,781)	(798)
Investment Income	92	55	148	85
Profit Before Tax	4,018	4,617	9,646	10,017
Income Tax Expense	(1,048)	(1,304)	(2,391)	(2,512)
Profit After Tax	2,970	3,313	7,255	7,505
Profit attributable to :				
Owners of the Company	2,931	3,222	7,179	7,337
Non-Controlling Interest	39	91	76	168
	2,970	3,313	7,255	7,505
Earning Per Share				
- Basic (sen)	2.36	2.59	5.78	5.92
- Diluted (sen)	2.31	-	5.67	-

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2010 and the accompanying explanatory notes to the interim financial reports.

DOMINANT ENTERPRISE BERHAD
(Company No.221206-D)

CONDENSED CONSOLIDATED OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2010

	<u>FYE2011</u>	<u>FYE2010</u>	<u>FYE2011</u>	<u>FYE2010</u>
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 30.09.2010	Preceding Year Corresponding Quarter Ended 30.09.2009	Current Year To Date Ended 30.09.2010	Preceding Year Corresponding Quarter Ended 30.09.2009
	RM'000	RM'000	RM'000	RM'000
Profit for the period	2,970	3,313	7,255	7,505
Other Comprehensive Income/(Loss)				
Exchange differences on translating foreign operations	222	962	(29)	962
Changes in revaluation surplus due to disposal of properties	(962)	-	(962)	-
Total Comprehensive Income/(Loss) for the period	(740)	962	(991)	962
Total Comprehensive Income	<u><u>2,230</u></u>	<u><u>4,275</u></u>	<u><u>6,264</u></u>	<u><u>8,467</u></u>
Total Comprehensive Income attributable to :				
Owners of the Company	2,191	4,184	6,188	8,299
Non-Controlling Interest	39	91	76	168
	<u><u>2,230</u></u>	<u><u>4,275</u></u>	<u><u>6,264</u></u>	<u><u>8,467</u></u>

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2010 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 30 September 2010 RM'000	As At 30 June 2010 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	54,090	56,815
Prepaid land lease payments	5,644	5,712
Goodwill	837	837
	<u>60,571</u>	<u>63,364</u>
Current Assets		
Inventories	84,335	79,742
Trade receivables	73,724	70,043
Other receivables and prepaid expenses	1,354	1,043
Cash and bank balances	15,159	13,736
	<u>174,572</u>	<u>164,564</u>
TOTAL ASSETS	<u>235,143</u>	<u>227,928</u>
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of The Company		
Issued capital	62,088	62,088
Treasury shares	(914)	(914)
Share premium	196	196
Other reserves	14,606	15,346
Retained Earning	50,169	49,692
	<u>126,145</u>	<u>126,408</u>
Non-Controlling Interest	<u>1,481</u>	<u>1,442</u>
Total Equity	<u>127,626</u>	<u>127,850</u>
Non-Current Liabilities		
Hire purchase payables	102	135
Bank borrowings	5,826	6,119
Deferred tax liabilities	2,267	2,267
	<u>8,195</u>	<u>8,521</u>
Current Liabilities		
Trade payables	21,204	23,022
Other payables and accrued expenses	4,323	5,336
Hire purchase payables	137	148
Bank borrowings	71,814	61,421
Tax liabilities	1,844	1,630
	<u>99,322</u>	<u>91,557</u>
Total Liabilities	<u>107,517</u>	<u>100,078</u>
TOTAL EQUITY AND LIABILITIES	<u>235,143</u>	<u>227,928</u>
Net assets per share (RM)	1.0159	1.0180

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2010 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</u>	<u>Treasury</u>	<u>Share</u>	<u>Other</u>	<u>Retained</u>		<u>Non-</u>	<u>Total</u>
	<u>Capital</u>	<u>Shares</u>	<u>Premium</u>	<u>Reserves</u>	<u>Earning</u>	<u>Total</u>	<u>Controlling</u>	<u>Equity</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>Interest</u>	<u>RM'000</u>
Balance as at 1 April 2009	62,002	(914)	195	6,562	35,998	103,843	1,161	105,004
Total comprehensive income for the period	-	-	-	962	7,337	8,299	168	8,467
Dividend	-	-	-	-	(2,757)	(2,757)	-	(2,757)
Balance as at 30 September 2009	<u>62,002</u>	<u>(914)</u>	<u>195</u>	<u>7,524</u>	<u>40,578</u>	<u>109,385</u>	<u>1,329</u>	<u>110,714</u>
Balance as at 1 April 2010	62,081	(914)	196	15,597	45,444	122,404	1,405	123,809
Issuance of shares - pursuant to ESOS	7	-	-	-	-	7	-	7
Total comprehensive income for the period	-	-	-	(991)	7,179	6,188	76	6,264
Dividend	-	-	-	-	(2,454)	(2,454)	-	(2,454)
Balance as at 30 September 2010	<u>62,088</u>	<u>(914)</u>	<u>196</u>	<u>14,606</u>	<u>50,169</u>	<u>126,145</u>	<u>1,481</u>	<u>127,626</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 2010 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 Period Ended 30.09.2010	Financial Period Ended 30.09.2009
	RM'000	RM'000
Profit for the period	7,255	7,505
Adjustments for : -		
Non-cash items	1,041	1,050
Non-operating items	3,391	3,237
<i>Operating profit before changes in working capital</i>	<u>11,687</u>	<u>11,792</u>
Changes in working capital		
Net change in current assets	(31,534)	(15,718)
Net change in current liabilities	860	8,807
<i>Cash generated from / (used in) operations</i>	<u>(18,987)</u>	<u>4,881</u>
Interest paid	(80)	(66)
Income tax paid	<u>(2,171)</u>	<u>(1,479)</u>
Net cash from / (used in) operating activities	(21,238)	3,336
Net cash from / (used in) investing activities	1,591	(2,960)
Net cash from / (used in) financing activities	<u>16,537</u>	<u>4,545</u>
Net Changes in Cash & Cash Equivalents	(3,110)	4,921
Adjustment for foreign exchange differentials	40	87
Cash & Cash Equivalents at beginning of period	<u>13,881</u>	<u>6,893</u>
Cash & Cash Equivalents at end of period	<u><u>10,811</u></u>	<u><u>11,901</u></u>
 * Cash and cash equivalents at end of financial period comprise the following :		
Cash and bank balances	15,159	14,438
Less: Bank overdrafts (included within short term borrowings in Note B8)	<u>(4,348)</u>	<u>(2,537)</u>
	<u><u>10,811</u></u>	<u><u>11,901</u></u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2010 and the accompanying explanatory notes to the interim financial reports.

UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2010

Notes to the Interim Financial Report

A1. Accounting Policies

The interim financial reports are unaudited and have been prepared in accordance with FRS 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 2010.

A2. Change in Accounting Policies

The significant accounting policies adopted are consistent with those in the audited financial statements for the financial year ended 31 March 2010, except for the adoption of the following new Financial Reporting Standards ("FRSs"), Amendments to FRSs and Interpretations by the Group with effect from 1 January 2010.

FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (Revised 2009)
FRS 123	Borrowing Costs (Revised)
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 107	Statement of Cash Flows
Amendments to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to FRS 110	Events after the Reporting Period
Amendments to FRS 116	Property, Plant and Equipment
Amendments to FRS 117	Leases
Amendments to FRS 118	Revenue
Amendments to FRS 119	Employee Benefits
Amendments to FRS 123	Borrowing Costs
Amendments to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 136	Impairment of Assets
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment

Other than the adoption of FRS 101 and FRS 139, the adoption of the above FRSs, Amendments to FRSs and IC Interpretation did not result in any significant changes in the accounting policies and the presentation of the financial results of the Group.

(a) FRS 101: Presentation of Financial Statements

This Standard introduces the titles "statement of financial position" and "statement of cash flows" to replace the current titles "balance sheet" and "cash flow statement" respectively. A new statement known as the "statement of comprehensive income" is also introduced in this Standard whereby all non-owner changes in equity are required to be presented in either one statement of comprehensive income or in two statements (i.e. a separate income statement and a statement of comprehensive income).

There is no impact on the Group's financial statements as this change in accounting policy affects only the presentation of the financial statements.

(b) FRS 139: Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and commercial contracts to buy and sell non-financial items. In accordance with the transitional provisions, the Group has adopted FRS 139 prospectively on 1 April 2010 and the comparatives as at 31 March 2010 are not restated.

The adoption of FRS 139 did not result in any significant of the financial results of the Group.

A3. Audit Qualification on Annual Financial Statements

The audit report of the Group's annual Financial Statements for the financial year ended 31 March 2010 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 period.

A6. Material Changes in Accounting Estimates

There were no changes in accounting estimates for financial period under review.

A7. Debts and Equity Securities

There were no issuances, cancellations, share buy-backs, resale of treasury shares and repayment of debt and equity security during the financial quarter ended 30 September 2010.

A8. Dividend Paid

(a) For financial year ended 31 March 2010

A final dividend of 1 sen per share, single tier, for the financial year ended 31 March 2010, amounting to RM 1,227,338 was paid by the company on 4 October 2010.

(b) For financial year ending 31 March 2011

A first interim dividend of 1 sen per share, single tier, in respect of financial year ending 31 March 2011, total amounting to RM 1,227,338 was paid by the company on 4 October 2010.

A9. Segmental Reporting

	Manufacturing of wood products <u>RM'000</u>	Distributing of wood products <u>RM'000</u>	Others <u>RM'000</u>	Elimination <u>RM'000</u>	Consolidated <u>RM'000</u>
External sales	41,027	127,696	-	-	168,723
Inter-segment sales	5,437	11,599	432	(17,468)	-
	<u>46,464</u>	<u>139,295</u>	<u>432</u>	<u>(17,468)</u>	<u>168,723</u>
Segment results	<u>4,961</u>	<u>7,036</u>	<u>(176)</u>	<u>-</u>	11,821
Interest income					148
Unallocated corporate expenses					(542)
Finance costs					<u>(1,781)</u>
Profit before tax					9,646
Income tax expense					<u>(2,391)</u>
Profit for the year					<u>7,255</u>
<u>Assets</u>					
Segment assets	59,234	147,107	22,654	-	228,995
Unallocated corporate assets					<u>6,148</u>
Consolidated total assets					<u>235,143</u>
<u>Liabilities</u>					
Segment liabilities	10,994	13,742	395	-	25,131
Unallocated corporate liabilities					<u>82,386</u>
Consolidated total liabilities					<u>107,517</u>

A10. Valuations of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

A11. Subsequent Material Events

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

A12. Changes in the Composition of the Group

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

A13. Contingent Liabilities

As of 30 September 2010, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 229.43 million (RM 221.87 million in June 2010) 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 82.75 million (RM 73.39 million in June 2010).

Additional Information Required by the Bursa Malaysia Listing Requirements

B1. Review of the Performance

For the financial period ended 30 September 2010, the Group recorded a revenue of RM 83.62 million. This represented an increase of 12.00% as compared to RM 74.66 million in the preceding year corresponding quarter ended 30 September 2009. However, the profit before tax ("PBT") has decrease by 12.99% from RM 4.62 million to RM 4.02 million. The declined in the Group's PBT was mainly due to higher raw material costs and operating costs.

B2. Variation of Results Against Preceding Quarter

For current quarter under review, the Group's revenue reduced by 1.75% as compare to RM 85.11 million in the preceding quarter ended 30 June 2010. The PBT has also decreased by 28.60% from RM 5.63 million to RM 4.02 million.

B3. Prospects

The board will remain focus on its current business and will continuously take necessary steps to maintain the profitability of the group.

B4. Taxation

The taxation is calculated based on the profit for the financial period ended 30 September 2010 comprises the following:

	Current Quarter <u>RM'000</u>	Current Year To Date <u>RM'000</u>
<u>Income tax Expenses :</u>		
Current Quarter/Year	1,048	2,391
Under-provision in Prior Quarter/Year	-	-
	<u>1,048</u>	<u>2,391</u>

B5. Unquoted Investments and/or Properties

There were no disposals of unquoted investment and/or properties for the quarter under review.

B6. Quoted Securities

There were no purchases or disposals of quoted securities for the quarter under review.

B7. Status of Corporate Proposals

There was no corporate proposal for the quarter under review.

B8. Borrowings

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

	As At 30 September 2010 <u>RM'000</u>	As At 30 June 2010 <u>RM'000</u>
Short Term Borrowing	71,814	61,421
Long Term Borrowing	5,826	6,119
	<u>77,640</u>	<u>67,540</u>

B9. Off Balance Sheet Financial Instruments

There was no financial instrument with off balance sheet risk as at the date of this report.

B10. Material Litigation

There was no change in material litigation since the last audited annual balance sheet date.

B11. Derivatives Financial Instruments

As at 30 September 2010, the Group's outstanding derivatives are as follows :-

<u>Type of Derivatives</u>	<u>Contract Value</u> <u>RM'000</u>	<u>Fair Value</u> <u>RM'000</u>
Foreign Currency Forward Contracts		
- Less than 1 year	2,089	2,035

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.

B12. Proposed Dividend

The Board proposed a 2nd interim dividend of 1 sen per share, single tier, for the financial year ending 31 March 2011 to be paid on 24 December 2010 to shareholders whose names appear in the Record of Depositors at the close of business on 14 December 2010.

B13. Earnings Per Share ("EPS")

The EPS is derived as follow :-

	Current Quarter	Current Year To Date
Net profit for the period/year (RM'000)	2,931	7,179
Weighted average number of ordinary shares ('000)	124,161	124,174
Adjusted weighted average number of ordinary shares for calculating diluted EPS ('000)	126,824	126,715
EPS (sen)	2.36	5.78
Diluted EPS (sen)	2.31	5.67