

DOMINANT ENTERPRISE BERHAD
(Company No.221206-D)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2010

	<u>FYE2011</u>	<u>FYE2010</u>	<u>FYE2011</u>	<u>FYE2010</u>
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 31.12.2010	Preceding Year Corresponding Quarter Ended 31.12.2009	Current Year To Date Ended 31.12.2010	Preceding Year Corresponding Quarter Ended 31.12.2009
	RM'000	RM'000	RM'000	RM'000
Revenue	85,530	80,406	254,253	231,596
Profit from Operations	3,552	4,310	14,831	15,040
Finance Costs	(783)	(402)	(2,564)	(1,200)
Investment Income	48	67	196	152
Profit Before Tax	2,817	3,975	12,463	13,992
Income Tax Expense	(657)	(1,027)	(3,048)	(3,539)
Profit After Tax	2,160	2,948	9,415	10,453
Profit attributable to :				
Owners of the Company	2,128	2,917	9,307	10,254
Non-Controlling Interest	32	31	108	199
	2,160	2,948	9,415	10,453
Earning Per Share				
- Basic (sen)	1.71	2.35	7.49	8.27
- Diluted (sen)	1.67	2.34	7.34	-

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 THIRD QUARTER ENDED 31 DECEMBER 2010

	<u>FYE2011</u>	<u>FYE2010</u>	<u>FYE2011</u>	<u>FYE2010</u>
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 31.12.2010	Preceding Year Corresponding Quarter Ended 31.12.2009	Current Year To Date Ended 31.12.2010	Preceding Year Corresponding Quarter Ended 31.12.2009
	RM'000	RM'000	RM'000	RM'000
Profit for the period	2,160	2,948	9,415	10,453
Other Comprehensive Income/(Loss)				
Exchange differences on translating foreign operations	431	(94)	402	868
Changes in revaluation surplus due to disposal of properties	-	-	(962)	-
Total Comprehensive Income/(Loss) for the period	431	(94)	(560)	868
Total Comprehensive Income	2,591	2,854	8,855	11,321
Total Comprehensive Income attributable to :				
Owners of the Company	2,559	2,823	8,747	11,122
Non-Controlling Interest	32	31	108	199
	2,591	2,854	8,855	11,321

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 31 December 2010 RM'000	As At 30 September 2010 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	54,389	54,090
Prepaid land lease payments	5,677	5,644
Goodwill	837	837
	60,903	60,571
Current Assets		
Inventories	77,777	84,335
Trade receivables	74,686	73,724
Other receivables and prepaid expenses	1,266	1,354
Cash and bank balances	13,419	15,159
	167,148	174,572
TOTAL ASSETS	228,051	235,143
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of The Company		
Issued capital	62,233	62,088
Treasury shares	(914)	(914)
Share premium	197	196
Other reserves	15,037	14,606
Retained Earning	51,066	50,169
	127,619	126,145
Non-Controlling Interest	1,513	1,481
Total Equity	129,132	127,626
Non-Current Liabilities		
Hire purchase payables	180	102
Bank borrowings	5,530	5,826
Deferred tax liabilities	2,267	2,267
	7,977	8,195
Current Liabilities		
Trade payables	21,704	21,204
Other payables and accrued expenses	5,067	4,323
Hire purchase payables	185	137
Bank borrowings	63,270	71,814
Tax liabilities	716	1,844
	90,942	99,322
Total Liabilities	98,919	107,517
TOTAL EQUITY AND LIABILITIES	228,051	235,143
Net assets per share (RM)	1.0253	1.0159

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>Interest</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>RM'000</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	-	-	-	868	10,254	11,122	199	11,321
Dividend	-	-	-	-	(3,676)	(3,676)	-	(3,676)
Balance as at 31 December 2009	<u>62,002</u>	<u>(914)</u>	<u>195</u>	<u>7,430</u>	<u>42,576</u>	<u>111,289</u>	<u>1,360</u>	<u>112,649</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	152	-	1	-	-	153	-	153
Total comprehensive income/(loss) for the period	-	-	-	(560)	9,307	8,747	108	8,855
Dividend	-	-	-	-	(3,685)	(3,685)	-	(3,685)
Balance as at 31 December 2010	<u>62,233</u>	<u>(914)</u>	<u>197</u>	<u>15,037</u>	<u>51,066</u>	<u>127,619</u>	<u>1,513</u>	<u>129,132</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 31.12.2010	Financial Period Ended 31.12.2009
	RM'000	RM'000
Profit for the period	9,415	10,453
Adjustments for : -		
Non-cash items	1,441	1,575
Non-operating items	4,681	4,761
<i>Operating profit before changes in working capital</i>	<u>15,537</u>	<u>16,789</u>
Changes in working capital		
Net change in current assets	(25,189)	(18,004)
Net change in current liabilities	1,995	9,349
<i>Cash generated from / (used in) operations</i>	<u>(7,657)</u>	<u>8,134</u>
Interest paid	(142)	(110)
Income tax paid	<u>(3,950)</u>	<u>(2,331)</u>
Net cash from / (used in) operating activities	(11,749)	5,693
Net cash from / (used in) investing activities	978	(3,452)
Net cash from / (used in) financing activities	<u>5,830</u>	<u>4,074</u>
Net Changes in Cash & Cash Equivalents	(4,941)	6,315
Adjustment for foreign exchange differentials	(47)	(208)
Cash & Cash Equivalents at beginning of period	<u>13,881</u>	<u>6,893</u>
Cash & Cash Equivalents at end of period	<u><u>8,893</u></u>	<u><u>13,000</u></u>

* Cash and cash equivalents at end of financial period comprise the following :

Cash and bank balances	13,419	14,860
Less: Bank overdrafts (included within short term borrowings in Note B8)	(4,526)	(1,860)
	<u>8,893</u>	<u>13,000</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 31 DECEMBER 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

In the 3rd Quarter ended 31 Dec 2010, 288,800 new ordinary shares were issued and allotted pursuant to the exercise of ESOS, of which, 228,800 share are allotted at an option price of RM 0.50, and 60,000 share are allotted at an option price of RM 0.51. A total of 303,800 new ordinary shares were issued and allotted during this financial year ended 31 March 2011.

A8. Dividend Paid

The second interim dividend of 1 sen per share, single tier, in respect of financial year ending 31 March 2011, total amounting to RM 1,230,016 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	59,372	194,881	-	-	254,253
Inter-segment sales	9,478	15,499	648	(25,625)	-
	<u>68,850</u>	<u>210,380</u>	<u>648</u>	<u>(25,625)</u>	<u>254,253</u>
Segment results	<u>6,875</u>	<u>8,792</u>	<u>(239)</u>	<u>-</u>	15,428
Investment income					196
Unallocated corporate expenses					(597)
Finance costs					<u>(2,564)</u>
Profit before tax					12,463
Income tax expense					<u>(3,048)</u>
Profit for the year					<u>9,415</u>
<u>Assets</u>					
Segment assets	53,324	145,801	22,747	-	221,872
Unallocated corporate assets					<u>6,179</u>
Consolidated total assets					<u>228,051</u>
<u>Liabilities</u>					
Segment liabilities	9,846	16,320	395	-	26,561
Unallocated corporate liabilities					<u>72,358</u>
Consolidated total liabilities					<u>98,919</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 31 December 2010, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 246.76 million (RM 229.43 million in Sept 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 72.22 million (RM 82.75 million in Sept 2010).

Additional Information Required by the Bursa Malaysia Listing Requirements

B1. Review of the Performance

For the financial period ended 31 December 2010, the Group recorded a revenue of RM 85.53 million. This represented an increase of 6.37% as compared to RM 80.41 million in the preceding year corresponding quarter ended 31 December 2009. However, the profit before tax ("PBT") has decreased by 29.14% from RM 3.98 million to RM 2.82 million. The declined in the Group's PBT was mainly due to new set-up costs and higher operating costs.

B2. Variation of Results Against Preceding Quarter

For current quarter under review, the Group's revenue increased by 2.28% as compare to RM 83.62 million in the preceding quarter ended 30 September 2010. However, the PBT has decreased by 29.85% from RM 4.02 million to RM 2.82 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 31 December 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	674	3,065
Under/(over) provision in Prior Quarter/Year	(17)	(17)
	<u>657</u>	<u>3,048</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 31 December 2010 <u>RM'000</u>	As At 30 September 2010 <u>RM'000</u>
Short Term Borrowing	63,270	71,814
Long Term Borrowing	5,530	5,826
	<u>68,800</u>	<u>77,640</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 31 December 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	3,056	3,050

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 3rd interim dividend of 1 sen per share, single tier, for the financial year ending 31 March 2011 to be paid on 28 March 2011 to shareholders whose names appear in the Record of Depositors at the close of business on 14 March 2011.

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)	2,128	9,307
Weighted average number of ordinary shares ('000)	124,262	124,203
Adjusted weighted average number of ordinary shares for calculating diluted EPS ('000)	127,238	126,861
EPS (sen)	1.71	7.49
Diluted EPS (sen)	1.67	7.34

B14. Realised and Unrealised Profit/Losses Disclosure

	Current Financial Period RM'000
Retained Earning	
- Realised	53,383
- Unrealised	(2,317)
Total Group Retained Earning as per Consolidated Accounts	51,066