

DOMINANT ENTERPRISE BERHAD
(Company No.221206-D)
CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2011

	<u>FYE2012</u>	<u>FYE2011</u>	<u>FYE2012</u>	<u>FYE2011</u>
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current	Preceding	Current Year	Preceding
	Quarter	Year	To Date	Year
	Ended	Corresponding	Ended	Ended
	30.09.2011	Quarter	30.09.2011	30.09.2010
	RM'000	Ended	RM'000	RM'000
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
	RM'000	RM'000	RM'000	RM'000
Revenue	87,262	83,616	173,083	168,723
Profit from Operations	6,137	4,884	13,426	11,279
Finance Costs	(767)	(958)	(2,002)	(1,781)
Investment Revenue	101	92	186	148
Profit Before Tax	5,471	4,018	11,610	9,646
Income Tax Expense	(1,221)	(1,048)	(2,731)	(2,391)
Profit After Tax	4,250	2,970	8,879	7,255
Other Comprehensive Income				
Exchange differences on translating foreign operations	(315)	222	404	(29)
Changes in revaluation surplus due to disposal of properties	-	(962)	-	(962)
Total Comprehensive Income	3,935	2,230	9,283	6,264
Profit attributable to :				
Equity holders of the Company	4,250	2,931	8,879	7,179
Non-Controlling Interest	-	39	-	76
	4,250	2,970	8,879	7,255
Total comprehensive income attributable to :				
Equity holders of the Company	3,935	2,191	9,283	6,188
Non-Controlling Interest	-	39	-	76
	3,935	2,230	9,283	6,264
Earning Per Share				
- Basic (sen)	3.39	2.36	7.10	5.78
- Diluted (sen)	3.34	2.31	7.00	5.67

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statement for the financial year ended 31st March 2011 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 Sept 2011 RM'000	(Audited) As At 31 March 2011 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	61,333	61,482
Prepaid land lease payments	5,656	5,586
Goodwill	1,255	837
	68,244	67,905
Current Assets		
Inventories	91,488	74,852
Trade receivables	75,153	72,932
Other receivables and prepaid expenses	1,904	2,470
Cash and bank balances	14,769	16,016
	183,314	166,270
TOTAL ASSETS	251,558	234,175
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of The Company		
Issued capital	63,242	62,323
Treasury shares	(914)	(914)
Share premium	200	198
Other reserves	21,737	21,333
Retained Earning	61,899	53,020
	146,164	135,960
Non-Controlling Interest	-	1,678
Total Equity	146,164	137,638
Non-Current Liabilities		
Hire purchase payables	97	176
Bank borrowings	4,821	5,279
Deferred tax liabilities	2,552	2,552
	7,470	8,007
Current Liabilities		
Trade payables	17,687	17,988
Other payables and accrued expenses	6,890	5,041
Hire purchase payables	181	195
Bank borrowings	71,355	64,380
Tax liabilities	1,811	926
	97,924	88,530
Total Liabilities	105,394	96,537
TOTAL EQUITY AND LIABILITIES	251,558	234,175
Net assets per share (RM)	1.16	1.09

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2011 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>Capital</u> RM'000	<u>Treasury</u> <u>Shares</u> RM'000	<u>Share</u> <u>Premium</u> RM'000	<u>Other</u> <u>Reserves</u> RM'000	<u>Retained</u> <u>Earning</u> RM'000	<u>Total</u> RM'000	<u>Non-</u> <u>Controlling</u> <u>Interest</u> RM'000	<u>Total</u> <u>Equity</u> RM'000
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 / (loss) for the year	-	-	-	(991)	7,179	6,188	76	6,264
Dividend	-	-	-	-	(2,454)	(2,454)	-	(2,454)
Balance as at 30 Sept 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>
Balance as at 1 April 2011	62,323	(914)	198	21,333	53,020	135,960	1,678	137,638
Issuance of shares - pursuant to ESOS	919	-	2	-	-	921	-	921
Total comprehensive income	-	-	-	404	8,879	9,283	-	9,283
Acquisition of shares in subsidiary	-	-	-	-	-	-	(1,678)	(1,678)
Dividend	-	-	-	-	-	-	-	-
Balance as at 30 Sept 2011	<u>63,242</u>	<u>(914)</u>	<u>200</u>	<u>21,737</u>	<u>61,899</u>	<u>146,164</u>	<u>-</u>	<u>146,164</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 2011 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 30.09.2011	Financial Period Ended 30.09.2010
	RM'000	RM'000
Profit for the period	8,879	7,255
Adjustments for : -		
Non-cash items	1,075	659
Non-operating items	1,816	772
Taxation	2,731	1,343
<i>Operating profit before changes in working capital</i>	<u>14,501</u>	<u>10,029</u>
Changes in working capital		
Net change in current assets	(17,860)	(24,159)
Net change in current liabilities	1,551	3,800
<i>Cash generated from / (used in) operations</i>	<u>(1,808)</u>	<u>(10,330)</u>
Interest paid	(129)	(22)
Income tax paid	(1,990)	(1,315)
Net cash from / (used in) operating activities	<u>(3,927)</u>	<u>(11,667)</u>
Net cash from / (used in) investing activities	<u>(2,599)</u>	<u>(252)</u>
Net cash from / (used in) financing activities	<u>2,280</u>	<u>12,176</u>
Net Changes in Cash & Cash Equivalents	<u>(4,246)</u>	<u>257</u>
Adjustment for foreign exchange differentials	(38)	47
Cash & Cash Equivalents at beginning of period	<u>13,319</u>	<u>13,881</u>
Cash & Cash Equivalents at end of period	<u><u>9,035</u></u>	<u><u>14,185</u></u>

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

Cash and bank balances	14,769	13,736
Less: Bank overdrafts (included within short term borrowings in Note B8)	(5,734)	449
	<u>9,035</u>	<u>14,185</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2011 and the accompanying explanatory notes to the interim financial reports.

UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2011

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 2011.

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 2011. The Group and the Company have adopted all the new and amended FRS 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 2010. The adoption have no significant impact on the financial statements 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 2011 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 2nd Quarter ended 30 Sept 2011, 1,837,400 new ordinary shares were issued and allotted pursuant to the exercise of ESOS, of which, 1,661,400 share are allotted at an option price of RM 0.50, and 176,000 share are allotted at an option price of RM 0.51.

A8. Dividend Paid

There were no dividend payments made in current quarter.

A9. 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.

A10. Segmental Reporting

	Manufacturing of wood products RM'000	Distributing of wood products RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
External sales	39,267	133,816	-	-	173,083
Inter-segment sales	12,760	12,851	432	(26,043)	-
	<u>52,027</u>	<u>146,667</u>	<u>432</u>	<u>(26,043)</u>	<u>173,083</u>
Segment results	<u>(1,641)</u>	<u>9,053</u>	<u>6,650</u>	<u>-</u>	<u>14,062</u>
Investment income					186
Unallocated corporate expenses					(636)
Finance costs					<u>(2,002)</u>
Profit before tax					11,610
Income tax expense					<u>(2,731)</u>
Profit for the year					<u>8,879</u>
<u>Assets</u>					
Segment assets	56,164	159,351	28,044	-	243,559
Unallocated corporate assets					<u>7,999</u>
Consolidated total assets					<u>251,558</u>
<u>Liabilities</u>					
Segment liabilities	8,691	15,139	325	-	24,155
Unallocated corporate liabilities					<u>81,239</u>
Consolidated total liabilities					<u>105,394</u>

A11. Changes in the Composition of the Group

During this quarter, Company has entered into a Share Sale Agreement with the five (5) shareholders of Kim Guan Impex Sdn. Bhd. ("KIM GUAN"), a 70% owned subsidiary of the Company, for the acquisition of 300,000 ordinary shares of RM 1 each representing 30% equity interest in KIM GUAN at a cash consideration of RM 2,097,000. Following the acquisition, KIM GUAN became a wholly-owned subsidiary company of DOMINANT.

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 30 Sept 2011, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 246.96 million (RM 247.92 million in June 2011) 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 79.35 million (RM 79.02 million in June 2011).

A14. Capital Commitment

As of 30 Sept 2011, the Group has the following capital commitments:

	RM'000
Approved and contracted for :	
Construction of factory building	3,828

Additional Information Required by the Bursa Malaysia Listing Requirements**B1. Review of the Performance**

For the financial period ended 30 Sept 2011, the Group recorded a revenue of RM 87.26 million. This represented an increase of 4.35% as compared to RM 83.62 million in the preceding year corresponding quarter ended 30 Sept 2010. The profit before tax ("PBT") had also increased by 36.07% to RM 5.47 million. The improvement in PBT was mainly attributable to the higher profit margin contributed from the newly developed products and effective costs management.

B2. Variation of Results Against Preceding Quarter

For current quarter under review, the Group's revenue increased by 1.68% as compare to RM 85.82 million in the preceding quarter ended 30 June 2011. However, the PBT has decreased by 10.91% from RM 6.14 million to RM 5.47 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 Sept 2011 comprises the following:

	Current Quarter <u>RM'000</u>	Year To Date <u>RM'000</u>
<u>Income tax Expenses :</u>		
Current Quarter/Year	1,221	2,731
Under/(over) provision in Prior Quarter/Year	-	-
	<u>1,221</u>	<u>2,731</u>

The effective tax rate of the Group is lower than the statutory tax rate due to utilisation of tax allowances.

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 Sept 2011 <u>RM'000</u>	As At 31 March 2011 <u>RM'000</u>
Short Term Borrowing	71,355	64,380
Long Term Borrowing	4,821	5,279
	<u>76,176</u>	<u>69,659</u>

B9. Off Balance Sheet Financial Instruments

Off balance sheet financial instruments as at 30 Sept 2011 were made-up of Bank Guarantee and Letter of Credit, details of which are shown as follows :-

I) Bank Guarantee

- a) The face amount involved is RM 10.45 million, and
- b) It was issued to the Suppliers, Immigration Department, Royal Custom and Tenaga Nasional.

II) Letter of Credit

- a) The face amount involved is RM 4.26 million, and
- b) It is for the purchase of raw materials and trading products.

The nature and term for both of the above including :

- a) There is no credit and market risk as it is for the purchase of goods, foreign workers application, license application and electricity utilization,
- b) Cash requirement upon presentation of documents, and
- c) Recognition of asset and liabilities upon its settlement.

B10. Material Litigation

Not applicable.

B11. Derivatives Financial Instruments

As at 30 Sept 2011, 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	<u>1,460</u>	<u>1,525</u>

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 second interim dividend of 1 sen per share, single tier, for the financial year ending 31 March 2012 (also 1 sen per share, single tier, in previous corresponding period) , to be paid on 21 December 2011 to shareholders whose names appear in the Record of Depositors at the close of business on 8 December 2011.

Total dividend per share for current financial year to-date is 2 sen.

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)	4,250	8,879
Weighted average number of ordinary shares ('000)	125,328	125,136
Adjusted weighted average number of ordinary shares for calculating diluted EPS ('000)	127,058	126,772
EPS (sen)	3.39	7.10
Diluted EPS (sen)	3.34	7.00

B14. Realised and Unrealised Profit/Losses Disclosure

	Current Year To Date 30.09.2011	As At Financial Year Ended 31.03.2011
Retained Earning		
- Realised	69,489	53,715
- Unrealised	(2,863)	(2,780)
	66,626	50,935
Less : Consolidation Adjustment	(4,727)	2,085
Total Group Retained Earning as per Consolidated Accounts	61,899	53,020