

DOMINANT ENTERPRISE BERHAD
(Company No.221206-D)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

	<u>FYE2012</u>	<u>FYE2011</u>	<u>FYE2012</u>	<u>FYE2011</u>
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 31.12.2011	Preceding Year Corresponding Quarter Ended 31.12.2010	Current Year To Date Ended 31.12.2011	Preceding Year Ended 31.12.2010
	RM'000	RM'000	RM'000	RM'000
Revenue	102,117	85,530	275,200	254,253
Profit from Operations	7,842	4,017	22,334	16,337
Interest Income	97	48	283	196
Interest Expense	(870)	(783)	(2,872)	(2,564)
Depreciation and Amortisation	(552)	(465)	(1,618)	(1,506)
Profit Before Tax	6,517	2,817	18,127	12,463
Income Tax Expense	(1,570)	(657)	(4,301)	(3,048)
Profit After Tax	4,947	2,160	13,826	9,415
Other Comprehensive Income				
Exchange differences on translating foreign operations	59	431	463	402
Changes in revaluation surplus due to disposal of properties	-	-	-	(962)
Total Comprehensive Income	5,006	2,591	14,289	8,855
Profit attributable to :				
Equity holders of the Company	4,947	2,128	13,826	9,307
Non-Controlling Interest	-	32	-	108
	4,947	2,160	13,826	9,415
Total comprehensive income attributable to :				
Equity holders of the Company	5,006	2,559	14,289	8,747
Non-Controlling Interest	-	32	-	108
	5,006	2,591	14,289	8,855
Earning Per Share				
- Basic (sen)	3.95	1.71	11.05	7.49
- Diluted (sen)	3.93	1.67	10.93	7.34

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 31 December 2011 RM'000	(Audited) As At 31 March 2011 RM'000
ASSETS		
<u>Non-Current Assets</u>		
Property, plant and equipment	61,874	61,482
Prepaid land lease payments	5,592	5,586
Goodwill	1,255	837
	68,721	67,905
<u>Current Assets</u>		
Inventories	76,373	74,852
Trade receivables	82,495	72,932
Other receivables and prepaid expenses	1,158	2,470
Cash and bank balances	20,536	16,016
	180,562	166,270
TOTAL ASSETS	249,283	234,175
EQUITY AND LIABILITIES		
<u>Equity Attributable To Owners Of The Company</u>		
Issued capital	63,242	62,323
Treasury shares	(914)	(914)
Share premium	200	198
Other reserves	21,796	21,333
Retained Earning	63,095	53,020
	147,419	135,960
Non-Controlling Interest	-	1,678
Total Equity	147,419	137,638
<u>Non-Current Liabilities</u>		
Hire purchase payables	155	176
Bank borrowings	4,241	5,279
Deferred tax liabilities	2,552	2,552
	6,948	8,007
<u>Current Liabilities</u>		
Trade payables	18,922	17,988
Other payables and accrued expenses	5,612	5,041
Hire purchase payables	190	195
Bank borrowings	68,453	64,380
Tax liabilities	1,739	926
	94,916	88,530
Total Liabilities	101,864	96,537
TOTAL EQUITY AND LIABILITIES	249,283	234,175
Net assets per share (RM)	1.17	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	152	-	1	-	-	153	-	153
Total comprehensive income / (loss) for the year	-	-	-	(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>
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	-	-	-	463	13,826	14,289	-	14,289
Acquisition of shares in subsidiary	-	-	-	-	-	-	(1,678)	(1,678)
Dividend	-	-	-	-	(3,751)	(3,751)	-	(3,751)
Balance as at 31 December 2011	<u>63,242</u>	<u>(914)</u>	<u>200</u>	<u>21,796</u>	<u>63,095</u>	<u>147,419</u>	<u>-</u>	<u>147,419</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 31.12.2011 RM'000	Financial Period Ended 31.12.2010 RM'000
Profit for the period	13,826	9,415
Adjustments for : -		
Non-cash items	1,472	1,441
Non-operating items	2,495	1,633
Taxation	4,301	3,048
<i>Operating profit before changes in working capital</i>	<u>22,094</u>	<u>15,537</u>
Changes in working capital		
Net change in current assets	(9,359)	(25,189)
Net change in current liabilities	1,450	1,995
<i>Cash generated from / (used in) operations</i>	<u>14,185</u>	<u>(7,657)</u>
Interest paid	(211)	(142)
Income tax paid	(3,173)	(3,950)
Net cash from / (used in) operating activities	<u>10,801</u>	<u>(11,749)</u>
<i>Cash flows from / (used in) investing activities</i>		
Interest received	282	196
Proceeds from disposal of property, plant and equipment	61	1,986
Purchase of property, plant and equipment	(1,786)	(1,201)
Acquisition of share in subsidiary	(2,097)	-
Addition to prepaid land lease payment	(2)	(3)
Net cash from / (used in) investing activities	<u>(3,542)</u>	<u>978</u>
<i>Cash flows from / (used in) financing activities</i>		
Net proceeds from short-term borrowings	4,335	13,191
Dividends paid	(3,751)	(3,685)
Issue of shares	920	153
Interest paid on bank borrowings	(2,661)	(2,421)
Net proceeds from/ repayment of hire-purchase payables	12	(54)
Repayments of finance lease payables	(41)	-
Repayments of term loans	(898)	(1,354)
Net cash from / (used in) financing activities	<u>(2,084)</u>	<u>5,830</u>
Net Changes in Cash & Cash Equivalents	<u>5,175</u>	<u>(4,941)</u>
Adjustment for foreign exchange differentials	5	(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>18,499</u></u>	<u><u>8,893</u></u>

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

Cash and bank balances	20,536	13,419
Less: Bank overdrafts		
(included within short term borrowings in Note B6)	(2,037)	(4,526)
	<u>18,499</u>	<u>8,893</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 31 DECEMBER 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

There were no issuances, cancellations, share buy-backs, resale of treasury shares and repayment of debt and equity security during the financial quarter ended 31 December 2011.

A8. Dividend Paid

(a) For financial year ended 31 March 2011

A final dividend of 1 sen per share, single tier, for the financial year end 31 March 2011, amounting to RM 1,250,416 was paid by the company on 14 October 2011.

(b) For financial year ended 31 March 2012

A first interim dividend of 1 sen per share, single tier, in respect of financial year ending 31 March 2012, total amounting to RM 1,250,416 was paid by the company on 14 October 2011.

A second interim dividend of 1 sen per share, single tier, in respect of financial year ending 31 March 2012, total amounting to RM 1,250,416 was paid by the company on 15 December 2011.

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

	<u>Revenue</u>		<u>Segment Results</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Manufacturing of wood products	76,783	68,850	6,946	6,875
Distributing of wood products	227,881	210,380	15,183	8,792
Others	648	648	6,375	(239)
	<u>305,312</u>	<u>279,878</u>	<u>28,504</u>	<u>15,428</u>
Elimination	<u>(30,112)</u>	<u>(25,625)</u>	<u>(6,812)</u>	<u>-</u>
	<u>275,200</u>	<u>254,253</u>	21,692	15,428
Interest Income			283	196
Unallocated corporate expenses			(976)	(597)
Finance costs			<u>(2,872)</u>	<u>(2,564)</u>
Profit before tax			18,127	12,463
Income tax expense			<u>(4,301)</u>	<u>(3,048)</u>
Profit after tax			<u>13,826</u>	<u>9,415</u>

	<u>Assets</u>		<u>Liabilities</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Manufacturing of wood products	53,271	53,324	10,119	9,846
Distributing of wood products	158,214	145,801	13,498	16,320
Others	28,771	22,747	354	395
	<u>240,256</u>	<u>221,872</u>	<u>23,971</u>	<u>26,561</u>
Unallocated corporate assets / liabilities	<u>9,027</u>	<u>6,179</u>	<u>77,893</u>	<u>72,358</u>
Consolidated	<u>249,283</u>	<u>228,051</u>	<u>101,864</u>	<u>98,919</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 Dec 2011, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 250.93 million (RM 246.96 million in September 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 period-end amounting to about RM 76.72 million (RM 79.35 million in September 2011).

A14. Capital Commitment

As of 31 December 2011, the Group has the following capital commitments:

	RM'000
Approved and contracted for :	
Construction of factory building	<u>2,619</u>

Additional Information Required by the Bursa Malaysia Listing Requirements

B1. Review of the Performance

For the financial period ended 31 Dec 2011, the Group recorded a revenue of RM 102.12 million. This represented an increase of 19.40% as compared to RM 85.53 million in the preceding year corresponding quarter ended 31 Dec 2010. The profit before tax ("PBT") had also increased by 131.21% to RM 6.52 million.

Manufacturing Division

The revenue was recorded as RM 76.78 million for current quarter. This represented an increase of 11.52% as compared to RM 68.85 million in the preceding year corresponding quarter ended 31 Dec 2010. The improvement in revenue was contributed by the new set up plant and the newly developed products.

The PBT was increased to RM 6.54 million in conjunction with the increase in revenue.

Distribution Division

The revenue was recorded as RM 227.88 million for current quarter. This represented an increase of 8.32% as compared to RM 210.38 million in the preceding year corresponding quarter ended 31 Dec 2010 while the PBT was increased by RM 17.60 million.

The improvement in PBT was mainly due to the rising selling price of plywood caused by the increasing demand after the Japan tsunami disaster as well as the results from the continuous focus on operational efficiencies.

B2. Variation of Results Against Preceding Quarter

For current quarter under review, the Group's revenue increased by 17.03% as compare to RM 87.26 million in the preceding quarter ended 30 Sept 2011. The PBT has also increased by 19.20% from RM 5.47 million to RM 6.52 million.

B3. Prospects

The global economic environment has remained uncertain with renewed concerns on sovereign debt crisis in Europe. The export to Europe market for the manufacturing products will become more challenging.

Gain from the aforesaid disaster was temporary hence the demand for plywood is expected to be stabilized. Thus, in view of domestic economy for 2012 is foreseen to remain stable, the directors expect the local sales remain satisfactory.

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 Dec 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	1,614	4,345
Under/(over) provision in Prior Quarter/Year	(44)	(44)
	<u>1,570</u>	<u>4,301</u>

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

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 period are 100% unsecured :-

	As At 31 December 2011 <u>RM'000</u>	As At 31 March 2011 <u>RM'000</u>
Short Term Borrowing	68,453	64,380
Long Term Borrowing	4,241	5,279
	<u>72,694</u>	<u>69,659</u>

B7. Material Litigation

Not applicable.

B8. Derivatives Financial Instruments

As at 31 December 2011, 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	<u>360</u>	<u>364</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.

B9. Proposed Dividend

The Board proposed a third 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).

In addition, in light of the improved operating results, the Board is pleased to declare a special dividend of 3 sen per share, single tier, which to be paid together with the third interim dividend on 23 March 2012 to shareholders whose names appear in the Record of Depositors at the close of business on 15 March 2012.

Total dividend per share for current financial year to-date is 6 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)	4,947	13,826
Weighted average number of ordinary shares ('000)	125,328	125,119
Adjusted weighted average number of ordinary shares for calculating diluted EPS ('000)	125,871	126,414
EPS (sen)	3.95	11.05
Diluted EPS (sen)	3.93	10.93

B11. Realised and Unrealised Profit/Losses Disclosure

	Current Year To Date 31.12.2011	As At Financial Year Ended 31.03.2011
Retained Earning		
- Realised	70,514	53,715
- Unrealised	(2,692)	(2,780)
	67,822	50,935
Less : Consolidation Adjustment	(4,727)	2,085
Total Group Retained Earning as per Consolidated Accounts	63,095	53,020

B12. Notes to the Condensed Consolidated Income Statements

Profit before tax is arrived at after crediting (charging) the following:

	Current Quarter RM'000	Current Year To Date RM'000
Interest income	97	283
Other income including investment income	359	854
Interest expense	(870)	(2,872)
Depreciation and amortisation	(552)	(1,618)
Provision for and write off of receivables	(28)	(28)
Provision for and write off of inventories	N/A	N/A
Gain/(Loss) on disposal of quoted or unquoted investments	N/A	N/A
Gain/(Loss) on disposal of property, plant and equipment	60	59
Impairment of assets	N/A	N/A
Gain/(Loss) on foreign exchange	46	96
Gain/(Loss) on derivatives	N/A	N/A
Exceptional items	N/A	N/A