

DOMINANT ENTERPRISE BERHAD
(Company No.221206-D)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)
FOR THE FIRST QUARTER ENDED 30 JUNE 2012

	<u>FYE2013</u>	<u>FYE2012</u>	<u>FYE2013</u>	<u>FYE2012</u>
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 30.06.2012	Preceding Year Corresponding Quarter Ended 30.06.2011	Current Year To Date Ended 30.06.2012	Preceding Year Ended 30.06.2011
	RM'000	RM'000	RM'000	RM'000
Revenue	101,910	85,821	101,910	85,821
Profit from Operations	6,343	7,822	6,343	7,822
Interest Income	137	85	137	85
Interest Expense	(825)	(1,235)	(825)	(1,235)
Depreciation and Amortisation	(568)	(533)	(568)	(533)
Profit Before Tax	5,087	6,139	5,087	6,139
Income Tax Expense	(1,192)	(1,510)	(1,192)	(1,510)
Profit After Tax	3,895	4,629	3,895	4,629
Other Comprehensive Income				
Exchange differences on translating foreign operations	480	719	480	719
Total Comprehensive Income	<u>4,375</u>	<u>5,348</u>	<u>4,375</u>	<u>5,348</u>
Profit attributable to :				
Equity holders of the Company	3,895	4,497	3,895	4,497
Non-Controlling Interest	-	132	-	132
	<u>3,895</u>	<u>4,629</u>	<u>3,895</u>	<u>4,629</u>
Total comprehensive income attributable to :				
Equity holders of the Company	4,375	5,216	4,375	5,216
Non-Controlling Interest	-	132	-	132
	<u>4,375</u>	<u>5,348</u>	<u>4,375</u>	<u>5,348</u>
Earning Per Share				
- Basic (sen)	2.97	3.60	2.97	3.60
- Diluted (sen)	2.92	3.53	2.92	3.53

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statement for the financial year ended 31st March 2012 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 June 2012 RM'000	(Audited) As At 31 March 2012 RM'000
ASSETS		
<u>Non-Current Assets</u>		
Property, plant and equipment	64,384	63,926
Prepaid land lease payments	5,663	5,536
Goodwill	837	837
	<u>70,884</u>	<u>70,299</u>
<u>Current Assets</u>		
Inventories	68,495	60,093
Trade receivables	91,083	84,405
Other receivables and prepaid expenses	1,015	2,851
Cash and bank balances	24,274	23,550
	<u>184,867</u>	<u>170,899</u>
TOTAL ASSETS	<u>255,751</u>	<u>241,198</u>
EQUITY AND LIABILITIES		
<u>Equity Attributable To Owners Of The Company</u>		
Issued capital	66,059	64,567
Share premium	295	288
Other reserves	23,064	22,584
Retained Earning	65,430	61,535
Total Equity	<u>154,848</u>	<u>148,974</u>
<u>Non-Current Liabilities</u>		
Hire purchase payables	110	129
Finance lease payables	35	45
Bank borrowings	5,514	4,946
Deferred tax liabilities	2,924	2,924
	<u>8,583</u>	<u>8,044</u>
<u>Current Liabilities</u>		
Trade payables	23,913	16,555
Other payables and accrued expenses	5,689	5,896
Hire purchase payables	90	118
Finance lease payables	55	57
Bank borrowings	61,222	60,031
Tax liabilities	1,351	1,523
	<u>92,320</u>	<u>84,180</u>
Total Liabilities	<u>100,903</u>	<u>92,224</u>
TOTAL EQUITY AND LIABILITIES	<u>255,751</u>	<u>241,198</u>
Net assets per share (RM)	1.17	1.15

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2012 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 2011	62,323	(914)	198	21,333	53,020	135,960	1,678	137,638
Issuance of shares								
- pursuant to ESOS at exercise price of RM 0.50 per share	219	-	2	-	-	221	-	221
Issuance of shares								
- pursuant to ESOS at exercise price of RM 0.51 per share	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	719	4,497	5,216	132	5,348
Dividend	-	-	-	-	-	-	-	-
Balance as at 30 June 2011	<u>62,542</u>	<u>(914)</u>	<u>200</u>	<u>22,052</u>	<u>57,517</u>	<u>141,397</u>	<u>1,810</u>	<u>143,207</u>
Balance as at 1 April 2012	64,567	-	288	22,584	61,535	148,974	-	148,974
Issuance of shares								
- pursuant to ESOS at exercise price of RM 0.50 per share	1,161	-	-	-	-	1,161	-	1,161
Issuance of shares								
- pursuant to ESOS at exercise price of RM 0.51 per share	331	-	7	-	-	338	-	338
Total comprehensive income for the year	-	-	-	480	3,895	4,375	-	4,375
Dividend	-	-	-	-	-	-	-	-
Balance as at 30 June 2012	<u>66,059</u>	<u>-</u>	<u>295</u>	<u>23,064</u>	<u>65,430</u>	<u>154,848</u>	<u>-</u>	<u>154,848</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 2012 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 30.06.2012 RM'000	Financial Period Ended 30.06.2011 RM'000
Profit for the period	3,895	4,629
Adjustments for : -		
Non-cash items	357	512
Non-operating items	688	1,150
Taxation	1,192	1,511
<i>Operating profit before changes in working capital</i>	<u>6,132</u>	<u>7,802</u>
Changes in working capital		
Net change in current assets	(12,719)	(16,387)
Net change in current liabilities	7,075	2,814
<i>Cash generated from / (used in) operations</i>	488	(5,771)
Income tax refunded	-	-
Interest paid	(28)	(58)
Income tax paid	(1,371)	(1,100)
Net cash from / (used in) operating activities	<u>(911)</u>	<u>(6,929)</u>
<i>Cash flows from / (used in) investing activities</i>		
Interest received	137	85
Proceeds from disposal of property, plant and equipment	62	1
Purchase of property, plant and equipment	(818)	(81)
Net cash from / (used in) investing activities	<u>(619)</u>	<u>5</u>
<i>Cash flows from / (used in) financing activities</i>		
Net proceeds from short-term borrowings	2,509	5,358
Dividends paid	-	-
Issue of shares	1,499	220
Interest paid on bank borrowings	(797)	(1,178)
Net proceeds from/ repayment of hire-purchase payables	(46)	(35)
Repayments of finance lease payables	(15)	(13)
Proceeds from term loans	909	-
Repayments of term loans	(518)	(215)
Net cash from / (used in) financing activities	<u>3,541</u>	<u>4,137</u>
Net Changes in Cash & Cash Equivalents	<u>2,011</u>	<u>(2,787)</u>
Adjustment for foreign exchange differentials	41	(50)
Cash & Cash Equivalents at beginning of period	21,102	13,319
Cash & Cash Equivalents at end of period	<u><u>23,154</u></u>	<u><u>10,482</u></u>
* Cash and cash equivalents at end of financial period comprise the following :		
Cash and bank balances	24,274	14,636
Less: Bank overdrafts (included within short term borrowings in Note B6)	(1,120)	(4,154)
	<u><u>23,154</u></u>	<u><u>10,482</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 2012 and the accompanying explanatory notes to the interim financial reports.

UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2012

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 2012.

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 2012. 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 2011. 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 2012 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 1st Quarter ended 30 June 2012, 2,984,400 new ordinary shares were issued and allotted pursuant to the exercise of ESOS, of which, 2,322,400 share are allotted at an option price of RM 0.50, and 662,000 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

	<u>Revenue</u>		<u>Segment Results</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Manufacturing of wood products	24,238	25,676	1,597	2,436
Distributing of wood products	80,798	77,522	4,532	5,324
Others	485	487	(76)	(75)
	<u>105,521</u>	<u>103,685</u>	<u>6,053</u>	<u>7,685</u>
Elimination of inter-segment income:				
- Manufacturing of wood products	(3,025)	(7,336)		
- Distributing of wood products	(101)	(10,041)		
- Others	(485)	(487)		
	<u>101,910</u>	<u>85,821</u>	<u>6,053</u>	<u>7,685</u>
Interest Income			137	85
Unallocated corporate expenses			(278)	(396)
Finance costs			(825)	(1,235)
Profit before tax			<u>5,087</u>	<u>6,139</u>
Income tax expense			<u>(1,192)</u>	<u>(1,510)</u>
Profit after tax			<u>3,895</u>	<u>4,629</u>

	<u>Assets</u>		<u>Liabilities</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Manufacturing of wood products	57,800	54,634	22,267	28,094
Distributing of wood products	157,368	160,196	71,689	72,275
Others	30,479	27,812	6,466	5,538
	<u>245,647</u>	<u>242,642</u>	<u>100,422</u>	<u>105,907</u>
Unallocated corporate assets / liabilities	<u>10,104</u>	<u>6,862</u>	<u>481</u>	<u>391</u>
Consolidated	<u>255,751</u>	<u>249,504</u>	<u>100,903</u>	<u>106,298</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 30 June 2012, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 241.77 million (RM 230.77 million in March 2012) 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 72.01 million (RM 69.18 million in March 2012).

A14. Capital Commitment

As of 30 June 2012, the Group has the following capital commitments:

	RM'000
Approved and contracted for :	
Construction of factory building	1,093

Additional Information Required by the Bursa Malaysia Listing Requirements

B1. Review of the Performance

For the first quarter ended 30 June 2012, the Group recorded a revenue of RM 101.91 million. This represented an increase of 18.75% as compared to RM 85.82 million in the preceding year corresponding quarter ended 30 June 2011. However, the profit before tax ("PBT") had decreased by 17.10% to RM 5.09 million.

Manufacturing Division

The revenue was recorded as RM 21.21 million for current quarter. This represented an increase of 15.65% as compared to RM 18.34 million in the preceding year corresponding quarter ended 30 June 2011. The increase in revenue was mainly attributed to the market share expansion which enables the Group to grow continuously. Furthermore, the newly developed products and market penetration had also contributed to the higher revenue.

On the other hand, the PBT has decreased by 34.43%, from RM 2.44 million to RM 1.60 million. The decrease was mainly due to higher cost of raw materials and lower profit margin as a result from market penetration. In additions, higher operating costs had further reduced the PBT.

Distribution Division

The revenue was recorded as RM 80.70 million for current quarter. This represented an increase of 19.59% as compared to RM 67.48 million in the preceding year corresponding quarter ended 30 June 2011. The increase in revenue was mainly contributed by the additional market share captured as well as the penetration of new market.

However, despite of the increase in sales volume, the PBT has declined by 14.85% to RM 4.53 million, as a result of the increase in costs of distributed products and higher operating costs. In additions, the PBT has also declined due to the lower of profit margin in order to capture more market share.

B2. Variation of Results Against Preceding Quarter

For current quarter under review, the Group's revenue increased by 5.42% as compare to RM 96.67 million in the preceding quarter ended 31 March 2012. However, the PBT has decreased by 10.86% from RM 5.71 million to RM 5.09 million.

B3. Prospects

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

In view of domestic economy for 2013 foreseen to remain stable, the directors expect the sales to remain satisfactory. Nevertheless, the board will 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 June 2012 comprises the following:

	Current Quarter <u>RM'000</u>	Year To Date <u>RM'000</u>
<u>Income tax Expenses :</u>		
Current Quarter/Year	1,192	1,192
Under/(over) provision in Prior Quarter/Year	-	-
	<u>1,192</u>	<u>1,192</u>

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 30 June 2012 <u>RM'000</u>	As At 31 March 2012 <u>RM'000</u>
Short Term Borrowing	61,222	60,031
Long Term Borrowing	5,514	4,946
	<u>66,736</u>	<u>64,977</u>

B7. Material Litigation

Not applicable.

B8. Derivatives Financial Instruments

As at 30 June 2012, the Group's outstanding derivatives are as follows :-

<u>Type of Derivatives</u>	Contract Value <u>RM'000</u>	Fair Value <u>RM'000</u>
Foreign Currency Forward Contracts		
- Less than 1 year	<u>2,506</u>	<u>2,541</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

(a) For financial year ended 31 March 2012

A final dividend of 1.0 sen per share, single tier, for the financial year ended 31 March 2012 had been declared and subject to shareholders' approval at the forthcoming Annual General Meeting to be held on 18 September 2012. The dividend if approved will be payable on 11 October 2012 to shareholders whose name appear in the Record of Depositors at the close of business on 27 September 2012.

(b) For financial year ending 31 March 2013

The Board proposed a first interim dividend of 2.0 sen per share, single tier, for the financial year ending 31 March 2013 to be paid on 11 October 2012 to shareholders whose names appear in the Record of Depositors at the close of business on 27 September 2012.

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)	3,895	3,895
Weighted average number of ordinary shares ('000)	131,185	131,185
Adjusted weighted average number of ordinary shares for calculating diluted EPS ('000)	133,200	133,200
EPS (sen)	2.97	2.97
Diluted EPS (sen)	2.92	2.92

B11. Realised and Unrealised Profit/Losses Disclosure

	Current Year To Date 30.06.2012	As At Financial Year Ended 31.03.2012
Retained Earning		
- Realised	73,682	69,743
- Unrealised	(3,106)	(3,062)
	70,576	66,681
Less : Consolidation Adjustment	(5,146)	(5,146)
Total Group Retained Earning as per Consolidated Accounts	65,430	61,535

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	137	137
Other income including investment income	723	723
Interest expense	(825)	(825)
Depreciation and amortisation	(568)	(568)
Provision for and write off of receivables	(21)	(21)
Provision for and write off of inventories	-	-
Gain/(Loss) on disposal of quoted or unquoted investments	N/A	N/A
Gain/(Loss) on disposal of property, plant and equipment	43	43
Impairment of assets	N/A	N/A
Gain/(Loss) on foreign exchange	136	136
Gain/(Loss) on derivatives	N/A	N/A
Exceptional items	N/A	N/A