

**DOMINANT ENTERPRISE BERHAD**  
**(Company No.221206-D)**

**CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)**  
**FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2012**

	<u>FYE2013</u>	<u>FYE2012</u>	<u>FYE2013</u>	<u>FYE2012</u>
	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	Current Quarter Ended 30.09.2012	Preceding Year Corresponding Quarter Ended 30.09.2011	Current Year To Date Ended 30.09.2012	Preceding Year Ended 30.09.2011
	RM'000	RM'000	RM'000	RM'000
Revenue	101,356	87,262	203,266	173,083
Profit from Operations	4,669	6,670	11,012	14,492
Interest Income	141	101	278	186
Interest Expense	(660)	(767)	(1,486)	(2,002)
Depreciation and Amortisation	(535)	(533)	(1,103)	(1,066)
Profit Before Tax	3,615	5,471	8,701	11,610
Income Tax Expense	(942)	(1,221)	(2,134)	(2,731)
Profit After Tax	2,673	4,250	6,567	8,879
<b>Other Comprehensive Income</b>				
Exchange differences on translating foreign operations	(96)	(315)	383	404
<b>Total Comprehensive Income</b>	<u>2,577</u>	<u>3,935</u>	<u>6,950</u>	<u>9,283</u>
<b>Profit attributable to :</b>				
Equity holders of the Company	2,673	4,250	6,567	8,879
Non-Controlling Interest	-	-	-	-
	<u>2,673</u>	<u>4,250</u>	<u>6,567</u>	<u>8,879</u>
<b>Total comprehensive income attributable to :</b>				
Equity holders of the Company	2,577	3,935	6,950	9,283
Non-Controlling Interest	-	-	-	-
	<u>2,577</u>	<u>3,935</u>	<u>6,950</u>	<u>9,283</u>
Earning Per Share				
- Basic (sen)	2.02	3.39	4.99	7.10
- Diluted (sen)	2.00	3.34	4.92	7.00

**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**

	<b>(Unaudited) As At 30 September 2012 RM'000</b>	<b>(Audited) As At 31 March 2012 RM'000</b>
<b>ASSETS</b>		
<b><u>Non-Current Assets</u></b>		
Property, plant and equipment	64,633	63,926
Prepaid land lease payments	5,584	5,536
Goodwill	837	837
	<u>71,054</u>	<u>70,299</u>
<b><u>Current Assets</u></b>		
Inventories	72,051	60,093
Trade receivables	89,800	84,405
Other receivables and prepaid expenses	1,448	2,851
Cash and bank balances	25,859	23,550
	<u>189,158</u>	<u>170,899</u>
<b>TOTAL ASSETS</b>	<b><u>260,212</u></b>	<b><u>241,198</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b><u>Equity Attributable To Owners Of The Company</u></b>		
Issued capital	66,449	64,567
Share premium	296	288
Other reserves	22,967	22,584
Retained Earning	68,102	61,535
<b>Total Equity</b>	<b><u>157,814</u></b>	<b><u>148,974</u></b>
<b><u>Non-Current Liabilities</u></b>		
Hire purchase payables	87	129
Finance lease payables	23	45
Bank borrowings	5,280	4,946
Deferred tax liabilities	2,924	2,924
	<u>8,314</u>	<u>8,044</u>
<b><u>Current Liabilities</u></b>		
Trade payables	21,452	16,555
Other payables and accrued expenses	4,343	5,896
Hire purchase payables	79	118
Finance lease payables	52	57
Bank borrowings	66,956	60,031
Tax liabilities	1,202	1,523
	<u>94,084</u>	<u>84,180</u>
<b>Total Liabilities</b>	<b><u>102,398</u></b>	<b><u>92,224</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>260,212</u></b>	<b><u>241,198</u></b>
Net assets per share (RM)	1.19	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
<b>Balance as at 1 April 2011</b>	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	919	-	2	-	-	921	-	921
Issuance of shares								
- pursuant to ESOS at exercise price of RM 0.51 per share	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	404	8,879	9,283	-	9,283
Acquisition of shares in subsidiary	-	-	-	-	-	-	(1,678)	(1,678)
Dividend	-	-	-	-	-	-	-	-
<b>Balance as at 30 September 2011</b>	<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>
<b>Balance as at 1 April 2012</b>	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	1,470	-	-	-	-	1,470	-	1,470
Issuance of shares								
- pursuant to ESOS at exercise price of RM 0.51 per share	412	-	8	-	-	420	-	420
Total comprehensive income for the year	-	-	-	383	6,567	6,950	-	6,950
Dividend	-	-	-	-	-	-	-	-
<b>Balance as at 30 September 2012</b>	<u>66,449</u>	<u>-</u>	<u>296</u>	<u>22,967</u>	<u>68,102</u>	<u>157,814</u>	<u>-</u>	<u>157,814</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)**

	<b>Financial Period Ended 30.09.2012 RM'000</b>	<b>Financial Period Ended 30.09.2011 RM'000</b>
Profit for the period	6,567	8,879
<b>Adjustments for : -</b>		
Non-cash items	979	1,075
Non-operating items	1,208	1,816
Taxation	2,134	2,731
<i>Operating profit before changes in working capital</i>	<u>10,888</u>	<u>14,501</u>
<b>Changes in working capital</b>		
Net change in current assets	(15,602)	(17,860)
Net change in current liabilities	3,313	1,551
<i>Cash generated from / (used in) operations</i>	(1,401)	(1,808)
Income tax refunded	-	-
Interest paid	(50)	(129)
Income tax paid	(2,460)	(1,990)
<b>Net cash from / (used in) operating activities</b>	<u>(3,911)</u>	<u>(3,927)</u>
<i>Cash flows from / (used in) investing activities</i>		
Interest received	278	186
Proceeds from disposal of property, plant and equipment	66	1
Purchase of property, plant and equipment	(1,627)	(688)
Acquisition of share in subsidiary	-	(2,097)
Additions to prepaid land lease payments	-	(1)
<b>Net cash from / (used in) investing activities</b>	<u>(1,283)</u>	<u>(2,599)</u>
<i>Cash flows from / (used in) financing activities</i>		
Net proceeds from short-term borrowings	6,258	3,912
Dividends paid	-	-
Issue of shares	1,889	920
Interest paid on bank borrowings	(1,436)	(1,873)
Net proceeds from/ repayment of hire-purchase payables	(79)	(70)
Repayments of finance lease payables	(29)	(26)
Proceeds from term loans	1,429	-
Repayments of term loans	(800)	(583)
<b>Net cash from / (used in) financing activities</b>	<u>7,232</u>	<u>2,280</u>
<b>Net Changes in Cash &amp; Cash Equivalents</b>	<u>2,038</u>	<u>(4,246)</u>
Adjustment for foreign exchange differentials	30	(38)
Cash & Cash Equivalents at beginning of period	<u>21,102</u>	<u>13,319</u>
Cash & Cash Equivalents at end of period	<u><u>23,170</u></u>	<u><u>9,035</u></u>
* Cash and cash equivalents at end of financial period comprise the following :		
Cash and bank balances	25,859	14,769
Less: Bank overdrafts (included within short term borrowings in Note B6)	(2,689)	(5,734)
	<u><u>23,170</u></u>	<u><u>9,035</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.**

**Notes to the Interim Financial Report**

**A1. Accounting Policies**

The interim financial reports are unaudited and have been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements. For the periods up to and including year ended 31 March 2012, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2012. The explanatory notes attached to the interim financial statements provide an explanation on events and transactions that are significant for the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2012.

**A2. Change in Accounting Policies**

On November 19, 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework ("MFRS Framework") in conjunction with its planned convergence of FRSs with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board on January 1, 2012.

The MFRS Framework is a fully IFRS-compliant framework, equivalent to IFRSs which is mandatory for adoption by all Entities Other than Private Entities for annual periods beginning on or after January 1, 2012, with the exception for Transitioning Entities. Transitioning Entities, being entities which are subject to the application of MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for the Construction of Real Estate are given an option to defer adoption of the MFRS Framework for an additional one year. Transitioning Entities also includes those entities that consolidates, equity accounts or proportionately consolidates an entity that has chosen to continue to apply the FRS Framework for annual periods beginning on or after January 1, 2012. Consequently, the MFRS Framework will be mandatory for application for annual periods beginning on or after January 1, 2012.

Accordingly, the Group and the Company which are not Transitioning Entities will be required to apply MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") in their financial statements for the financial year ending March 31, 2013, being the first set of financial statements prepared in accordance with the new MFRS Framework. Further, an explicit and unreserved statement of compliance with IFRSs will be made in these financial statements.

**Application of MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards ("MFRS 1")**

MFRS 1 requires comparative information to be restated as if the requirements of MFRSs effective for annual periods beginning on or after 1st January 2012 have always been applied, except when MFRS 1 allows certain elective exemptions from such full retrospective application or prohibits retrospective application of some aspects of MFRSs.

The initial applications of the MFRSs do not have any significant impact on the financial statements of the Group and the Company.

**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 2<sup>nd</sup> Quarter ended 30 September 2012, 778,100 new ordinary shares were issued and allotted pursuant to the exercise of ESOS, of which, 615,600 share are allotted at an option price of RM 0.50, and 162,500 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	49,746	52,027	3,428	5,171
Distributing of wood products	158,705	146,667	7,295	9,053
Others	973	39,544	(142)	(162)
	<u>209,424</u>	<u>238,238</u>	<u>10,581</u>	<u>14,062</u>
Elimination of inter-segment income:				
- Manufacturing of wood products	(5,049)	(11,938)		
- Distributing of wood products	(136)	(13,673)		
- Others	(973)	(39,544)		
	<u>203,266</u>	<u>173,083</u>	<u>10,581</u>	<u>14,062</u>
Interest Income			278	186
Unallocated corporate expenses			(672)	(636)
Finance costs			<u>(1,486)</u>	<u>(2,002)</u>
Profit before tax			8,701	11,610
Income tax expense			<u>(2,134)</u>	<u>(2,731)</u>
Profit after tax			<u>6,567</u>	<u>8,879</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	63,034	54,164	23,564	28,751
Distributing of wood products	155,244	159,351	71,550	70,842
Others	31,004	28,044	6,786	5,380
	<u>249,282</u>	<u>243,559</u>	<u>101,900</u>	<u>104,973</u>
Unallocated corporate assets / liabilities	<u>10,930</u>	<u>7,999</u>	<u>498</u>	<u>421</u>
Consolidated	<u>260,212</u>	<u>251,558</u>	<u>102,398</u>	<u>105,394</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 September 2012, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 241.29 million (RM 241.77 million in June 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 76.67 million (RM 72.01 million in June 2012).

#### **A14. Capital Commitment**

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

	<b>RM'000</b>
Approved and contracted for :	
Construction of factory building	<u>405</u>

#### **Additional Information Required by the Bursa Malaysia Listing Requirements**

##### **B1. Review of the Performance**

For the quarter ended 30 Sept 2012, the Group recorded a revenue of RM 101.36 million. This represented an increase of 16.16% as compared to RM 87.26 million in the preceding year corresponding quarter ended 30 Sept 2011. However, profit before tax ("PBT") decreased by 33.82% to RM 3.62 million.

##### **Manufacturing Division**

The revenue was recorded as RM 23.48 million for current quarter. This represented an increase of 7.95% as compared to RM 21.75 million in the preceding year corresponding quarter ended 30 Sept 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, PBT increased by 20.86%, from RM 1.39 million to RM 1.68 million. The increase was mainly due to higher profit margin contributed by newly developed products and effective costs management.

##### **Distribution Division**

The revenue was recorded as RM 77.87 million for current quarter. This represented an increase of 18.87% as compared to RM 65.51 million in the preceding year corresponding quarter ended 30 Sept 2011. The increase in revenue was mainly contributed by additional market share captured as well as penetration into new markets.

However, despite of the increase in sales volume, PBT declined by 47.71% to RM 1.83 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 shares.

##### **B2. Variation of Results Against Preceding Quarter**

For current quarter under review, the Group's revenue decreased slightly by 0.54% as compare to RM 101.91 million in the preceding quarter ended 30 June 2012. However, the PBT has decreased by 28.88% from RM 5.09 million to RM 3.62 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 September 2012 comprises the following:

	<u>Current Quarter</u> <u>RM'000</u>	<u>Year To Date</u> <u>RM'000</u>
<u>Income tax Expenses :</u>		
Current Quarter/Year	942	2,134
Under/(over) provision in Prior Quarter/Year	-	-
	<u>942</u>	<u>2,134</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 :-

	<u>As At</u> <u>30 September 2012</u> <u>RM'000</u>	<u>As At</u> <u>31 March 2012</u> <u>RM'000</u>
Short Term Borrowing	66,956	60,031
Long Term Borrowing	5,280	4,946
	<u>72,236</u>	<u>64,977</u>

**B7. Material Litigation**

Not applicable.

**B8. Derivatives Financial Instruments**

As at 30 September 2012, 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>4,853</u>	<u>4,808</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 second interim dividend of 1 sen per share, single tier, for the financial year ending 31 March 2013 (also 1 sen per share, single tier, in previous corresponding period), to be paid on 28 December 2012 to shareholders whose names appear in the Record of Depositors at the close of business on 13 December 2012.

Further, the first interim dividend of 2.0 sen per share, single tier, for the financial year ending 31 March 2013 had been paid on 11 October 2012.

Total dividend per share for current financial year to-date is 3 sen.

**B10. Earnings Per Share (“EPS”)**

The EPS is derived as follow :-

	<b>Current Quarter</b>	<b>Current Year To Date</b>
Net profit for the period/year (RM'000)	2,673	6,567
Weighted average number of ordinary shares ('000)	132,209	131,699
Adjusted weighted average number of ordinary shares for calculating diluted EPS ('000)	133,964	133,455
EPS (sen)	2.02	4.99
Diluted EPS (sen)	2.00	4.92

**B11. Realised and Unrealised Profit/Losses Disclosure**

	<b>Current Year To Date 30.09.2012</b>	<b>As At Financial Year Ended 31.03.2012</b>
Retained Earning		
- Realised	76,459	69,743
- Unrealised	(3,211)	(3,062)
	73,248	66,681
Less : Consolidation Adjustment	(5,146)	(5,146)
Total Group Retained Earning as per Consolidated Accounts	68,102	61,535

**B12. Notes to the Condensed Consolidated Income Statements**

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

	<b>Current Quarter RM'000</b>	<b>Current Year To Date RM'000</b>
Interest income	141	278
Other income including investment income	137	860
Interest expense	(661)	(1,486)
Depreciation and amortisation	(535)	(1,103)
Provision for and write off of receivables	-	(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	2	45
Impairment of assets	N/A	N/A
Gain/(Loss) on foreign exchange	(96)	39
Gain/(Loss) on derivatives	N/A	N/A
Exceptional items	N/A	N/A