

DOMINANT ENTERPRISE BERHAD
(Company No.221206-D)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2012

	<u>FYE2013</u>	<u>FYE2012</u>	<u>FYE2013</u>	<u>FYE2012</u>
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 31.12.2012	Preceding Year Corresponding Quarter Ended 31.12.2011	Current Year To Date Ended 31.12.2012	Preceding Year Ended 31.12.2011
	RM'000	RM'000	RM'000	RM'000
Revenue	110,262	102,117	313,528	275,200
Profit from Operations	6,100	7,842	17,112	22,334
Interest Income	157	97	435	283
Interest Expense	(1,165)	(870)	(2,651)	(2,872)
Depreciation and Amortisation	(518)	(552)	(1,621)	(1,618)
Profit Before Tax	4,574	6,517	13,275	18,127
Income Tax Expense	(1,013)	(1,570)	(3,147)	(4,301)
Profit After Tax	3,561	4,947	10,128	13,826
Other Comprehensive Income				
Exchange differences on translating foreign operations	(96)	59	330	463
Total Comprehensive Income	<u>3,465</u>	<u>5,006</u>	<u>10,458</u>	<u>14,289</u>
Profit attributable to :				
Equity holders of the Company	3,561	4,947	10,128	13,826
Non-Controlling Interest	-	-	-	-
	<u>3,561</u>	<u>4,947</u>	<u>10,128</u>	<u>13,826</u>
Total comprehensive income attributable to :				
Equity holders of the Company	3,465	5,006	10,458	14,289
Non-Controlling Interest	-	-	-	-
	<u>3,465</u>	<u>5,006</u>	<u>10,458</u>	<u>14,289</u>
Earning Per Share				
- Basic (sen)	2.67	3.95	7.66	11.05
- Diluted (sen)	2.64	3.93	7.56	10.93

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 31 December 2012 RM'000	(Audited) As At 31 March 2012 RM'000
ASSETS		
<u>Non-Current Assets</u>		
Property, plant and equipment	64,788	63,926
Prepaid land lease payments	5,542	5,536
Goodwill	837	837
	<u>71,167</u>	<u>70,299</u>
<u>Current Assets</u>		
Inventories	80,616	60,093
Trade receivables	96,813	84,405
Other receivables and prepaid expenses	1,490	2,851
Cash and bank balances	23,775	23,550
	<u>202,694</u>	<u>170,899</u>
TOTAL ASSETS	<u>273,861</u>	<u>241,198</u>
EQUITY AND LIABILITIES		
<u>Equity Attributable To Owners Of The Company</u>		
Issued capital	66,852	64,567
Share premium	300	288
Other reserves	22,914	22,584
Retained Earning	66,340	61,535
Total Equity	<u>156,406</u>	<u>148,974</u>
<u>Non-Current Liabilities</u>		
Hire purchase payables	68	129
Finance lease payables	11	45
Bank borrowings	5,506	4,946
Deferred tax liabilities	2,924	2,924
	<u>8,509</u>	<u>8,044</u>
<u>Current Liabilities</u>		
Trade payables	18,121	16,555
Other payables and accrued expenses	4,234	5,896
Hire purchase payables	80	118
Finance lease payables	49	57
Bank borrowings	86,177	60,031
Tax liabilities	285	1,523
	<u>108,946</u>	<u>84,180</u>
Total Liabilities	<u>117,455</u>	<u>92,224</u>
TOTAL EQUITY AND LIABILITIES	<u>273,861</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	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	-	-	-	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>
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	1,667	-	-	-	-	1,667	-	1,667
Issuance of shares								
- pursuant to ESOS at exercise price of RM 0.51 per share	618	-	12	-	-	630	-	630
Total comprehensive income for the year	-	-	-	330	10,128	10,458	-	10,458
Dividend	-	-	-	-	(5,323)	(5,323)	-	(5,323)
Balance as at 31 December 2012	<u>66,852</u>	<u>-</u>	<u>300</u>	<u>22,914</u>	<u>66,340</u>	<u>156,406</u>	<u>-</u>	<u>156,406</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 31.12.2012 RM'000	Financial Period Ended 31.12.2011 RM'000
Profit for the period	10,128	13,826
Adjustments for : -		
Non-cash items	1,421	1,472
Non-operating items	2,216	2,495
Taxation	3,147	4,301
<i>Operating profit before changes in working capital</i>	16,912	22,094
Changes in working capital		
Net change in current assets	(31,344)	(9,359)
Net change in current liabilities	(113)	1,450
<i>Cash generated from / (used in) operations</i>	(14,545)	14,185
Income tax refunded	-	-
Interest paid	(92)	(211)
Income tax paid	(4,389)	(3,173)
Net cash from / (used in) operating activities	(19,026)	10,801
<i>Cash flows from / (used in) investing activities</i>		
Interest received	435	282
Proceeds from disposal of property, plant and equipment	158	61
Purchase of property, plant and equipment	(2,249)	(1,786)
Acquisition of share in subsidiary	-	(2,097)
Additions to prepaid land lease payments	-	(2)
Net cash from / (used in) investing activities	(1,656)	(3,542)
<i>Cash flows from / (used in) financing activities</i>		
Net proceeds from short-term borrowings	26,336	4,335
Dividends paid	(5,323)	(3,751)
Issue of shares	2,297	920
Interest paid on bank borrowings	(2,559)	(2,661)
Net proceeds from/ repayment of hire-purchase payables	(99)	12
Repayments of finance lease payables	(44)	(41)
Proceeds from term loans	1,606	-
Repayments of term loans	(905)	(898)
Net cash from / (used in) financing activities	21,309	(2,084)
Net Changes in Cash & Cash Equivalents	627	5,175
Adjustment for foreign exchange differentials	20	5
Cash & Cash Equivalents at beginning of period	21,102	13,319
Cash & Cash Equivalents at end of period	21,749	18,499
* Cash and cash equivalents at end of financial period comprise the following :		
Cash and bank balances	23,775	20,536
Less: Bank overdrafts (included within short term borrowings in Note B6)	(2,026)	(2,037)
	21,749	18,499

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 PERIOD ENDED 31 DECEMBER 2012

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 3rd Quarter ended 31 December 2012, 807,300 new ordinary shares were issued and allotted pursuant to the exercise of ESOS, of which, 396,800 share are allotted at an option price of RM 0.50, and 410,500 share are allotted at an option price of RM 0.51.

A8. Dividend Paid

(a) For financial year ended 31 March 2012

A final dividend of 1 sen per share, single tier, for the financial year ended 31 March 2012, amounting to RM 1,328,972 was paid by the company on 11 October 2012.

(b) For financial year ending 31 March 2013

A first interim dividend of 2 sen per share, single tier, in respect of financial year ending 31 March 2013, total amounting to RM 2,657,943 was paid by the company on 11 October 2012.

A second interim dividend of 1 sen per share, single tier, in respect of financial year ending 31 March 2013, total amounting to RM 1,336,433 was paid by the company on 28 December 2012.

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	75,771	76,783	4,879	6,946
Distributing of wood products	245,656	227,881	11,653	15,183
Others	4,701	40,031	(209)	(437)
	<u>326,128</u>	<u>344,695</u>	<u>16,323</u>	<u>21,692</u>
Elimination of inter-segment income:				
- Manufacturing of wood products	(7,763)	(16,149)		
- Distributing of wood products	(136)	(13,315)		
- Others	(4,701)	(40,031)		
	<u>313,528</u>	<u>275,200</u>	<u>16,323</u>	<u>21,692</u>
Interest Income			435	283
Unallocated corporate expenses			(832)	(976)
Finance costs			(2,651)	(2,872)
Profit before tax			<u>13,275</u>	<u>18,127</u>
Income tax expense			<u>(3,147)</u>	<u>(4,301)</u>
Profit after tax			<u>10,128</u>	<u>13,826</u>

A10. Segmental Reporting (continued)

	<u>Assets</u>		<u>Liabilities</u>	
	<u>2013</u> <u>RM'000</u>	<u>2012</u> <u>RM'000</u>	<u>2013</u> <u>RM'000</u>	<u>2012</u> <u>RM'000</u>
Manufacturing of wood products	64,500	53,271	25,928	26,748
Distributing of wood products	167,959	158,214	84,313	69,412
Others	31,193	28,771	6,949	5,141
	263,652	240,256	117,190	101,301
Unallocated corporate assets / liabilities	10,209	9,027	265	563
Consolidated	<u>273,861</u>	<u>249,283</u>	<u>117,455</u>	<u>101,864</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 December 2012, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 248.14 million (RM 241.29 million in September 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 95.48 million (RM 76.67 million in September 2012).

A14. Capital Commitment

As of 31 December 2012, the Group has the following capital commitments:

	RM'000
Approved and contracted for :	
Construction of factory building	251

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

For the quarter ended 31 December 2012, the Group recorded a revenue of RM 110.26 million. This represented an increase of 7.97% as compared to RM 102.12 million in the preceding year corresponding quarter ended 31 December 2011. However, profit before tax ("PBT") decreased by 29.91% to RM 4.57 million.

Manufacturing Division

The revenue was recorded as RM 23.31 million for current quarter. This represented an increase of 9.08% as compared to RM 21.37 million in the preceding year corresponding quarter ended 31 December 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.

However, PBT decreased by 36.27%, from RM 1.93 million to RM 1.23 million. The decrease was resulted from higher raw material costs as well as increase in operating costs.

B1. Review of the Performance (continued)*Distribution Division*

The revenue was recorded as RM 86.95 million for current quarter. This represented an increase of 7.68% as compared to RM 80.75 million in the preceding year corresponding quarter ended 31 December 2011. The increase in revenue was mainly contributed by additional market share captured as well as penetration into new markets.

Despite the increase in sales volume, PBT declined by 31.61%, from RM 4.65 million to RM 3.18 million. This is attributable to 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 increased by 8.78% as compare to RM 101.36 million in the preceding quarter ended 30 September 2012. In line with the increase in revenue, the PBT has also increased by 26.24% from RM 3.62 million to RM 4.57 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 31 December 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	981	3,115
Under/(over) provision in Prior Quarter/Year	32	32
	<u>1,013</u>	<u>3,147</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>31 December 2012</u> <u>RM'000</u>	<u>As At</u> <u>31 March 2012</u> <u>RM'000</u>
Short Term Borrowing	86,177	60,031
Long Term Borrowing	5,506	4,946
	<u>91,683</u>	<u>64,977</u>

B7. Material Litigation

Not applicable.

B8. Derivatives Financial Instruments

As at 31 December 2012, 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	1,215	1,215

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 2013 (also 1 sen per share, single tier, in previous corresponding period, plus a special dividend of 3 sen per share, single tier), to be paid on 27 March 2013 to shareholders whose names appear in the Record of Depositors at the close of business on 15 March 2013.

Total dividend per share for current financial year to-date is 4 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)	3,561	10,128
Weighted average number of ordinary shares ('000)	133,427	132,278
Adjusted weighted average number of ordinary shares for calculating diluted EPS ('000)	135,061	133,911
EPS (sen)	2.67	7.66
Diluted EPS (sen)	2.64	7.56

B11. Realised and Unrealised Profit/Losses Disclosure

	Current Year To Date 31.12.2012	As At Financial Year Ended 31.03.2012
Retained Earning		
- Realised	74,714	69,743
- Unrealised	(3,228)	(3,062)
	71,486	66,681
Less : Consolidation Adjustment	(5,146)	(5,146)
Total Group Retained Earning as per Consolidated Accounts	66,340	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	157	435
Other income including investment income	371	1,232
Interest expense	(1,165)	(2,651)
Depreciation and amortisation	(518)	(1,621)
Provision for and write off of receivables	19	(2)
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	93	138
Impairment of assets	N/A	N/A
Gain/(Loss) on foreign exchange	(121)	(81)
Gain/(Loss) on derivatives	N/A	N/A
Exceptional items	N/A	N/A