

DOMINANT ENTERPRISE BERHAD
(Company No.221206-D)
CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)
FOR THE FOURTH QUARTER ENDED 31 MARCH 2013

	<u>FYE2013</u>	<u>FYE2012</u>	<u>FYE2013</u>	<u>FYE2012</u>
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 31.03.2013	Preceding Year Corresponding Quarter Ended 31.03.2012	Current Year To Date Ended 31.03.2013	Preceding Year Ended 31.03.2012
	RM'000	RM'000	RM'000	RM'000
Revenue	102,700	96,672	416,229	371,872
Profit from Operations	6,338	6,554	23,452	28,889
Interest Income	154	146	589	428
Interest Expense	(583)	(457)	(3,235)	(3,329)
Depreciation and Amortisation	(549)	(529)	(2,170)	(2,147)
Profit Before Tax	5,360	5,714	18,636	23,841
Income Tax Expense	(1,453)	(1,689)	(4,600)	(5,990)
Profit After Tax	3,907	4,025	14,036	17,851
Other Comprehensive Income				
Exchange differences on translating foreign operations	10	(147)	340	316
Gain on revaluation of properties	-	935	-	935
Total Comprehensive Income	3,917	4,813	14,376	19,102
Profit attributable to :				
Equity holders of the Company	3,907	4,025	14,036	17,670
Non-Controlling Interest	-	-	-	181
	3,907	4,025	14,036	17,851
Total comprehensive income attributable to :				
Equity holders of the Company	3,917	4,813	14,376	18,921
Non-Controlling Interest	-	-	-	181
	3,917	4,813	14,376	19,102
Earning Per Share				
- Basic (sen)	2.92	3.16	10.58	14.03
- Diluted (sen)	2.89	3.11	10.48	13.89

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 March 2013 RM'000	(Audited) As At 31 March 2012 RM'000	(Audited) As At 1 April 2011 RM'000
ASSETS			
<u>Non-Current Assets</u>			
Property, plant and equipment	46,960	63,926	61,482
Investment properties	18,139	-	-
Prepaid land lease payments	5,475	5,536	5,586
Goodwill	837	837	837
	<u>71,411</u>	<u>70,299</u>	<u>67,905</u>
<u>Current Assets</u>			
Inventories	80,002	60,093	74,852
Trade receivables	93,102	84,405	72,932
Other receivables and prepaid expenses	4,483	2,851	2,156
Tax Recoverable	-	-	314
Cash and bank balances	27,923	23,550	16,016
	<u>205,510</u>	<u>170,899</u>	<u>166,270</u>
TOTAL ASSETS	<u>276,921</u>	<u>241,198</u>	<u>234,175</u>
EQUITY AND LIABILITIES			
<u>Equity Attributable To Owners Of The Company</u>			
Issued capital	67,116	64,567	62,323
Treasury Shares	-	-	(914)
Share premium	301	288	198
Other reserves	22,924	22,584	21,332
Retained Earning	68,905	61,535	53,020
Total Equity	<u>159,246</u>	<u>148,974</u>	<u>137,637</u>
<u>Non-Current Liabilities</u>			
Hire purchase payables	47	129	76
Finance lease payables	-	45	100
Bank borrowings	5,402	4,946	5,280
Deferred tax liabilities	2,957	2,924	2,552
	<u>8,406</u>	<u>8,044</u>	<u>8,008</u>
<u>Current Liabilities</u>			
Trade payables	19,438	16,555	17,988
Other payables and accrued expenses	4,392	5,896	5,040
Hire purchase payables	80	118	142
Finance lease payables	45	57	54
Bank borrowings	84,362	60,031	64,380
Tax liabilities	952	1,523	926
	<u>109,269</u>	<u>84,180</u>	<u>88,530</u>
Total Liabilities	<u>117,675</u>	<u>92,224</u>	<u>96,538</u>
TOTAL EQUITY AND LIABILITIES	<u>276,921</u>	<u>241,198</u>	<u>234,175</u>
Net assets per share (RM)	1.19	1.15	1.10

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	1,804	-	-	-	-	1,804	-	1,804
Issuance of shares - pursuant to ESOS at exercise price of RM 0.51 per share	440	-	9	-	-	449	-	449
Total comprehensive income for the year	-	-	-	1,251	17,670	18,921	181	19,102
Resale of treasury shares	-	914	81	-	-	995	-	995
Acquisition of shares in subsidiary	-	-	-	-	(238)	(238)	(1,859)	(2,097)
Dividend	-	-	-	-	(8,917)	(8,917)	-	(8,917)
Balance as at 31 March 2012	<u>64,567</u>	<u>-</u>	<u>288</u>	<u>22,584</u>	<u>61,535</u>	<u>148,974</u>	<u>-</u>	<u>148,974</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	1,895	-	-	-	-	1,895	-	1,895
Issuance of shares - pursuant to ESOS at exercise price of RM 0.51 per share	654	-	13	-	-	667	-	667
Total comprehensive income for the year	-	-	-	340	14,036	14,376	-	14,376
Dividend	-	-	-	-	(6,666)	(6,666)	-	(6,666)
Balance as at 31 March 2013	<u>67,116</u>	<u>-</u>	<u>301</u>	<u>22,924</u>	<u>68,905</u>	<u>159,246</u>	<u>-</u>	<u>159,246</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 Year Ended 31.03.2013 RM'000	Financial Year Ended 31.03.2012 RM'000
Profit for the year	14,036	17,851
Adjustments for : -		
Non-cash items	2,172	1,781
Non-operating items	2,646	2,901
Taxation	4,600	5,990
<i>Operating profit before changes in working capital</i>	23,454	28,523
Changes in working capital		
Net change in current assets	(30,153)	3,293
Net change in current liabilities	1,356	(627)
<i>Cash generated from / (used in) operations</i>	(5,343)	31,189
Interest received	24	39
Income tax refunded	10	271
Interest paid	(118)	(480)
Income tax paid	(5,153)	(5,160)
Net cash from / (used in) operating activities	(10,580)	25,859
<i>Cash flows from / (used in) investing activities</i>		
Interest received	589	428
Proceeds from disposal of property, plant and equipment	159	61
Purchase of property, plant and equipment	(3,106)	(3,090)
Acquisition of share in subsidiary	-	(2,097)
Net cash from / (used in) investing activities	(2,358)	(4,698)
<i>Cash flows from / (used in) financing activities</i>		
Net proceeds from short-term borrowings	25,135	(4,213)
Dividends paid	(6,666)	(8,917)
Issue of shares	2,562	2,252
Resale of treasury shares	-	995
Interest paid on bank borrowings	(3,116)	(2,837)
Net proceeds from/ repayment of hire-purchase payables	(119)	(161)
Repayments of finance lease payables	(59)	(55)
Proceeds from term loans	1,782	819
Repayments of term loans	(1,174)	(1,202)
Net cash from / (used in) financing activities	18,345	(13,319)
Net Changes in Cash & Cash Equivalents	5,407	7,842
Adjustment for foreign exchange differentials	40	(59)
Cash & Cash Equivalents at beginning of year	21,102	13,319
Cash & Cash Equivalents at end of year	26,549	21,102
* Cash and cash equivalents at end of financial year comprise the following :		
Cash and bank balances	27,923	23,550
Less: Bank overdrafts		
(included within short term borrowings in Note B6)	(1,374)	(2,448)
	26,549	21,102

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 31 MARCH 2013

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 4th Quarter ended 31 March 2013, 527,000 new ordinary shares were issued and allotted pursuant to the exercise of ESOS, of which, 454,400 share are allotted at an option price of RM 0.50, and 72,600 share are allotted at an option price of RM 0.51. A total of 5,096,800 new ordinary shares were issued and allotted during this financial year ended 31 March 2013.

A8. Dividend Paid

A third interim dividend of 1 sen per share, single tier, in respect of financial year ending 31 March 2013, total amounting to RM 1,342,315 was paid by the company on 27 March 2013.

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>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	95,438	98,630	6,030	8,145
Distributing of wood products	330,686	305,382	16,638	19,813
Others	9,188	48,075	(324)	(388)
	<u>435,312</u>	<u>452,087</u>	<u>22,344</u>	<u>27,570</u>
Elimination of inter-segment income:				
- Manufacturing of wood products	(9,729)	(17,788)		
- Distributing of wood products	(166)	(14,352)		
- Others	(9,188)	(48,075)		
	<u>416,229</u>	<u>371,872</u>	<u>22,344</u>	<u>27,570</u>
Interest Income			589	428
Unallocated corporate expenses			(1,062)	(828)
Finance costs			<u>(3,235)</u>	<u>(3,329)</u>
Profit before tax			18,636	23,841
Income tax expense			<u>(4,600)</u>	<u>(5,990)</u>
Profit after tax			<u>14,036</u>	<u>17,851</u>

A10. Segmental Reporting (continued)

	<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	62,732	51,917	22,829	21,257
Distributing of wood products	172,137	150,686	87,316	64,762
Others	31,707	29,768	7,261	5,980
	<u>266,576</u>	<u>232,371</u>	<u>117,406</u>	<u>91,999</u>
Unallocated corporate assets / liabilities	10,345	8,827	269	224
Consolidated	<u>276,921</u>	<u>241,198</u>	<u>117,675</u>	<u>92,224</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 March 2013, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 246.39 million (RM 248.14 million in December 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 94.38 million (RM 95.48 million in December 2012).

A14. Capital Commitment

As of 31 March 2013, the Group has the following capital commitments:

	RM'000
Approved and contracted for :	
Construction of factory building	229
Road & drainage works	797
Acquisition of land & building	9,903
Purchase of forklift	127
	<u>11,056</u>

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

For the quarter ended 31 March 2013, the Group recorded a revenue of RM 102.70 million. This represented an increase of 6.24% as compared to RM 96.67 million in the preceding year corresponding quarter ended 31 March 2012. However, profit before tax ("PBT") decreased by 6.13% to RM 5.36 million.

Manufacturing Division

The revenue was recorded at RM 17.70 million for current quarter, a decrease of 7.72% as compared to RM 19.18 million in the preceding year corresponding quarter ended 31 March 2012. The decrease in revenue was attributable to lower demand from export market. In line with the decrease in revenue, PBT has also decreased by 7.02%, from RM 1.14 million to RM 1.06 million, as a result of higher raw material costs as well as higher labour costs following the implementation of minimum wages scheme in Malaysia.

B1. Review of the Performance (continued)Distribution Division

The revenue was recorded as RM 85.00 million for current quarter. This represented an increase of 9.69% as compared to RM 77.49 million in the preceding year corresponding quarter ended 31 March 2012. The increase in revenue was mainly contributed by additional market share captured as well as penetration into new markets.

In line with the increase in sales volume, PBT has also increased by 9.42%, from RM 3.82 million to RM 4.18 million. This is mainly attributable to better cost management as well as higher profit margin achieved resulted from caption of more market shares.

B2. Variation of Results Against Preceding Quarter

For current quarter under review, the Group's revenue decreased by 6.86% as compare to RM 110.26 million in the preceding quarter ended 31 December 2012. However, the PBT has increased by 17.29% from RM 4.57 million to RM 5.36 million.

B3. Prospects

The Board is of the view that the global economic condition remains challenging and competitive which had generally affected the Group's revenue, especially the slowdown in demand from Europe market has affected the Group's export sales. Furthermore, the costs of raw material and overhead are expected to continue on uptrend.

Nevertheless, the Board will focus on its current business and will continuously take necessary steps to maintain the profitability as well as improve the financial position of the group.

B4. Taxation

The taxation is calculated based on the profit for the financial year ended 31 March 2013 comprises the following:

	Current Quarter <u>RM'000</u>	Year To Date <u>RM'000</u>
<u>Income tax Expenses :</u>		
Current Tax Expense :		
Current Quarter/Year	1,431	4,546
Under/(over) provision in Prior Quarter/Year	(11)	21
Deferred Tax :		
Current Quarter/Year	84	84
Under/(over) provision in Prior Quarter/Year	(51)	(51)
	<u>1,453</u>	<u>4,600</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 31 March 2013 <u>RM'000</u>	As At 31 March 2012 <u>RM'000</u>
Short Term Borrowing	84,362	60,031
Long Term Borrowing	5,402	4,946
	<u>89,764</u>	<u>64,977</u>

B7. Material Litigation

Not applicable.

B8. Derivatives Financial Instruments

As at 31 March 2013, 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>2,663</u>	<u>2,642</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 final dividend of 1 sen per share, single tier, for the financial year ended 31 March 2013 (also 1 sen per share, single tier, in previous corresponding period).

This dividend is subject to the approval by the shareholders at the forthcoming Annual General Meeting and has not been included as liability in the financial statements. The dates of entitlement and payment will be determined at later stage.

Total dividend per share for current financial year to-date is 5 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)	3,907	14,036
Weighted average number of ordinary shares ('000)	133,879	132,672
Adjusted weighted average number of ordinary shares for calculating diluted EPS ('000)	135,307	133,938
EPS (sen)	2.92	10.58
Diluted EPS (sen)	2.89	10.48

B11. Realised and Unrealised Profit/Losses Disclosure

	Current Year To Date 31.03.2013	As At Financial Year Ended 31.03.2012
Retained Earning		
- Realised	77,285	69,743
- Unrealised	(3,234)	(3,062)
	74,051	66,681
Less : Consolidation Adjustment	(5,146)	(5,146)
Total Group Retained Earning as per Consolidated Accounts	68,905	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	154	589
Other income including investment income	328	1,560
Interest expense	(583)	(3,235)
Depreciation and amortisation	(549)	(2,170)
Provision for and write off of receivables	(179)	(181)
Provision for and write off of inventories	(54)	(54)
Gain/(Loss) on disposal of quoted or unquoted investments	N/A	N/A
Gain/(Loss) on disposal of property, plant and equipment	-	138
Impairment of assets	N/A	N/A
Gain/(Loss) on foreign exchange	55	(26)
Gain/(Loss) on derivatives	N/A	N/A
Exceptional items	N/A	N/A