

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

	<u>FYE2014</u>	<u>FYE2013</u>	<u>FYE2014</u>	<u>FYE2013</u>
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 31.12.2013	Preceding Year Corresponding Quarter Ended 31.12.2012	Current Year To Date Ended 31.12.2013	Preceding Year Ended 31.12.2012
	RM'000	RM'000	RM'000	RM'000
Revenue	125,104	110,262	353,988	313,528
Profit from Operations	6,621	6,100	18,934	17,112
Interest Income	90	157	322	435
Interest Expense	(1,317)	(1,165)	(3,681)	(2,651)
Depreciation and Amortisation	(603)	(518)	(1,762)	(1,621)
Profit Before Tax	4,791	4,574	13,813	13,275
Income Tax Expense	(1,117)	(1,013)	(3,343)	(3,147)
Profit After Tax	3,674	3,561	10,470	10,128
Other Comprehensive Income/ Expense				
Exchange differences on translating foreign operations	15	(96)	121	330
Total Comprehensive Income	3,689	3,465	10,591	10,458
Profit attributable to :				
Equity holders of the Company	3,748	3,561	10,619	10,128
Non-Controlling Interest	(74)	-	(149)	-
	3,674	3,561	10,470	10,128
Total comprehensive income attributable to :				
Equity holders of the Company	3,763	3,465	10,740	10,458
Non-Controlling Interest	(74)	-	(149)	-
	3,689	3,465	10,591	10,458
Earning Per Share				
- Basic (sen)	2.76	2.67	7.85	7.66
- Diluted (sen)	2.75	2.64	7.81	7.56

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statement for the financial year ended 31st March 2013 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 2013 RM'000	(Audited) As At 31 March 2013 RM'000
ASSETS		
<u>Non-Current Assets</u>		
Property, plant and equipment	58,344	47,898
Investment properties	19,176	18,139
Prepaid lease payments for land	5,635	5,475
Intangible assets	837	837
Deferred tax assets	23	23
	<u>84,015</u>	<u>72,372</u>
<u>Current Assets</u>		
Inventories	87,879	79,851
Trade receivables	111,485	93,145
Other receivables and prepaid expenses	2,375	4,542
Current tax assets	77	256
Cash and cash equivalents	27,221	27,923
	<u>229,037</u>	<u>205,717</u>
TOTAL ASSETS	313,052	278,089
EQUITY AND LIABILITIES		
<u>Equity Attributable To Owners Of The Company</u>		
Issued capital	68,007	67,116
Share premium	308	301
Other reserves	23,823	23,702
Retained Earnings	75,450	68,905
	<u>167,588</u>	<u>160,024</u>
Non - Controlling Interest	(46)	-
Total Equity	<u>167,542</u>	<u>160,024</u>
<u>Non-Current Liabilities</u>		
Hire purchase creditors	2	47
Bank borrowings	10,620	5,402
Deferred tax liabilities	3,140	3,140
	<u>13,762</u>	<u>8,589</u>
<u>Current Liabilities</u>		
Trade payables	28,746	19,346
Other payables and accrued expenses	6,020	4,435
Hire purchase creditors	65	80
Finance lease payables	-	45
Bank borrowings	95,731	84,362
Current tax liabilities	1,186	1,208
	<u>131,748</u>	<u>109,476</u>
Total Liabilities	<u>145,510</u>	<u>118,065</u>
TOTAL EQUITY AND LIABILITIES	313,052	278,089
Net assets per share (RM)	1.23	1.19

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2013 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 Capital</u> RM'000	<u>Share Premium</u> RM'000	<u>Other Reserves</u> RM'000	<u>Retained Earning</u> RM'000	<u>Total</u> RM'000	<u>Non- Controlling Interest</u> RM'000	<u>Total Equity</u> RM'000
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>300</u>	<u>22,914</u>	<u>66,340</u>	<u>156,406</u>	<u>-</u>	<u>156,406</u>
Balance as at 1 April 2013	67,116	301	23,702	68,905	160,024	-	160,024
Issuance of shares - pursuant to ESOS at exercise price of RM 0.50 per share	527	-	-	-	527	-	527
Issuance of shares - pursuant to ESOS at exercise price of RM 0.51 per share	364	7	-	-	371	-	371
Total comprehensive income/expense for the year	-	-	121	10,619	10,740	(149)	10,591
Ordinary shares contributed by non- controlling interests of a subsidiary	-	-	-	-	-	103	103
Dividend	-	-	-	(4,074)	(4,074)	-	(4,074)
Balance as at 31 December 2013	<u>68,007</u>	<u>308</u>	<u>23,823</u>	<u>75,450</u>	<u>167,588</u>	<u>(46)</u>	<u>167,542</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 2013 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 31.12.2013 RM'000	Financial Period Ended 31.12.2012 RM'000
Profit for the period	10,470	10,128
Adjustments for : -		
Non-cash items	1,427	1,421
Non-operating items	3,359	2,216
Taxation	3,343	3,147
<i>Operating profit before changes in working capital</i>	<u>18,599</u>	<u>16,912</u>
Changes in working capital		
Net change in current assets	(24,184)	(31,344)
Net change in current liabilities	10,946	(113)
<i>Cash generated from / (used in) operations</i>	5,361	(14,545)
Interest received	49	-
Income tax refunded	46	-
Interest paid	(65)	(92)
Income tax paid	(3,232)	(4,389)
Net cash from / (used in) operating activities	<u>2,159</u>	<u>(19,026)</u>
<i>Cash flows from / (used in) investing activities</i>		
Interest received	322	435
Proceeds from disposal of property, plant and equipment	-	158
Purchase of property, plant and equipment	(12,735)	(2,249)
Ordinary shares contributed by non-controlling interests of a subsidiary	103	-
Net cash used in investing activities	<u>(12,310)</u>	<u>(1,656)</u>
<i>Cash flows from / (used in) financing activities</i>		
Net proceeds from short-term borrowings	9,218	26,336
Dividends paid	(4,074)	(5,323)
Issue of shares	898	2,297
Interest paid on bank borrowings	(3,616)	(2,559)
Net proceeds from/ repayment of hire-purchase payables	(60)	(99)
Repayments of finance lease payables	(45)	(44)
Proceeds from term loans	7,200	1,606
Repayments of term loans	(1,366)	(905)
Net cash from financing activities	<u>8,155</u>	<u>21,309</u>
Net Changes in Cash & Cash Equivalents	<u>(1,996)</u>	<u>627</u>
Adjustment for foreign exchange differentials	80	20
Cash & Cash Equivalents at beginning of period	<u>26,549</u>	<u>21,102</u>
Cash & Cash Equivalents at end of period	<u><u>24,633</u></u>	<u><u>21,749</u></u>
* Cash and cash equivalents at end of financial period comprise the following :		
Cash and bank balances	27,221	23,775
Less: Bank overdrafts		
(included within short term borrowings in Note B6)	(2,588)	(2,026)
	<u><u>24,633</u></u>	<u><u>21,749</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 2013 and the accompanying explanatory notes to the interim financial reports.

UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE PERIOD ENDED 31 DECEMBER 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.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2013. 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 2013.

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 2013. The Group has adopted all the new and revised MFRSs 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 2013. The adoption has 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 2013 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 2013, 323,500 new ordinary shares were issued and allotted pursuant to the exercise of ESOS, of which, 200,000 share are allotted at an option price of RM 0.50, and 123,500 share are allotted at an option price of RM 0.51.

A8. Dividend Paid

(a) For financial year ended 31 March 2013

A final dividend of 1.0 sen per share, single tier, for the financial year ended 31 March 2013, amounting to RM 1,356,913 was paid by the company on 10 October 2013.

A8. Dividend Paid (continued)

(b) For financial year ending 31 March 2014

A first interim dividend of 1.0 sen per share, single tier, in respect of financial year ending 31 March 2014, total amounting to RM 1,356,914 was paid by the company on 10 October 2013.

A second interim dividend of 1.0 sen per share, single tier, in respect of financial year ending 31 March 2014, total amounting to RM 1,360,149 was paid by the company on 26 December 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>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Manufacturing of wood products	64,069	75,771	5,650	5,687
Distributing of wood products	296,924	245,656	14,170	12,336
Other operating segments	<u>3,208</u>	<u>4,701</u>	<u>(886)</u>	<u>(911)</u>
	<u>364,201</u>	<u>326,128</u>	<u>18,934</u>	<u>17,112</u>
Elimination of inter-segment revenue:				
- Manufacturing of wood products	(7,365)	(7,763)		
- Distributing of wood products	-	(136)		
- Other operating segments	<u>(2,848)</u>	<u>(4,701)</u>		
	<u>353,988</u>	<u>313,528</u>	18,934	17,112
Interest income			322	435
Interest expense			(3,681)	(2,651)
Depreciation and amortisation			<u>(1,762)</u>	<u>(1,621)</u>
Profit before tax			13,813	13,275
Income tax expense			<u>(3,343)</u>	<u>(3,147)</u>
Profit after tax			<u>10,470</u>	<u>10,128</u>

	<u>Assets</u>		<u>Liabilities</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Manufacturing of wood products	56,459	64,500	23,955	25,928
Distributing of wood products	202,917	167,960	114,457	84,313
Other operating segments	<u>53,676</u>	<u>41,401</u>	<u>7,098</u>	<u>7,214</u>
	<u>313,052</u>	<u>273,861</u>	<u>145,510</u>	<u>117,455</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 2013, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 270.30 million (RM 266.26 million in September 2013) 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 106.04 million (RM 96.01 million in September 2013).

A14. Capital Commitment

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

	RM'000
Approved and contracted for :	
Construction of factory building	199
Road & drainage works	707
Acquisition of land & building	608
	<u>1,514</u>

Additional Information Required by the Bursa Malaysia Listing Requirements

B1. Review of the Performance

For the quarter ended 31 December 2013, the Group recorded a revenue of RM 125.10 million. This represented an increase of 13.46% as compared to RM 110.26 million in the preceding year corresponding quarter ended 31 December 2012. In line with increase in sales, profit before tax ("PBT") has also increased by 4.81%, from RM 4.57 million to RM 4.79 million.

Manufacturing Division

The revenue was recorded at RM 19.46 million for current quarter, a decrease of 16.52% as compared to RM 23.31 million in the preceding year corresponding quarter ended 31 December 2012. The decrease in revenue was attributable to lower demand from export market, particularly Europe and Australia. However, operating profit has increased by 25.15%, from RM 1.71 million to RM 2.14 million.

Distribution Division

The revenue was recorded as RM 105.50 million for current quarter. This represented an increase of 21.33% as compared to RM 86.95 million in the preceding year corresponding quarter ended 31 December 2012. The increase in revenue was mainly contributed by additional market share captured as well as penetration into new markets.

Operating profit has also increased by 3.94%, from RM 4.57 million to RM 4.75 million. The increase in profit is attributed to higher revenue.

B2. Variation of Results Against Preceding Quarter

For current quarter under review, the Group's revenue increased by 5.07% as compare to RM 119.06 million in the preceding quarter ended 30 September 2013. PBT has also increased by 17.40% from RM 4.08 million to RM 4.79 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 resulted from Eurozone debt crisis as well as the delayed growth in the United States, 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 December 2013 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 Tax Expense :		
Current Quarter/Year	1,117	3,343
	<u>1,117</u>	<u>3,343</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 2013</u> <u>RM'000</u>	<u>As At</u> <u>31 March 2013</u> <u>RM'000</u>
Short Term Borrowings	95,731	84,362
Long Term Borrowings	10,620	5,402
	<u>106,351</u>	<u>89,764</u>

B7. Material Litigation

Not applicable.

B8. Derivatives Financial Instruments

As at 31 December 2013, 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	2,061	2,081

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 1.0 sen per share, single tier, for the financial year ending 31 March 2014 to be paid on 27 March 2014 to shareholders whose names appear in the Record of Depositors at the close of business on 14 March 2014.

Total dividend per share for current financial year to-date is 3.0 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)	3,748	10,619
Weighted average number of ordinary shares ('000)	135,561	135,255
Adjusted weighted average number of ordinary shares for calculating diluted EPS ('000)	136,312	135,969
EPS (sen)	2.76	7.85
Diluted EPS (sen)	2.75	7.81

B11. Realised and Unrealised Profit/Losses Disclosure

	Current Year To Date 31.12.2013	As At Financial Year Ended 31.03.2013
Retained Earning		
- Realised	83,685	77,475
- Unrealised	(3,238)	(3,424)
	80,447	74,051
Less : Consolidation Adjustment	(4,997)	(5,146)
Total Group Retained Earning as per Consolidated Accounts	75,450	68,905

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	90	322
Other income including investment income	273	1,264
Interest expense	(1,317)	(3,681)
Depreciation and amortisation	(603)	(1,762)
Provision for and write off of receivables	-	(91)
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	-	-
Impairment of assets	N/A	N/A
Gain/(Loss) on foreign exchange	(24)	228
Gain/(Loss) on derivatives	N/A	N/A
Exceptional items	N/A	N/A