

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

**CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)**  
**FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2014**

	<u>FYE2015</u>	<u>FYE2014</u>	<u>FYE2015</u>	<u>FYE2014</u>
	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current Quarter Ended 30.09.2014</b>	<b>Preceding Year Corresponding Quarter Ended 30.09.2013</b>	<b>Current Year To Date Ended 30.09.2014</b>	<b>Preceding Year Ended 30.09.2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	129,098	119,064	263,165	228,884
Profit from Operations	6,816	5,567	15,215	12,313
Interest Income	128	77	571	232
Interest Expense	(1,451)	(985)	(3,183)	(2,364)
Depreciation and Amortisation	(683)	(583)	(1,285)	(1,159)
Profit Before Tax	4,810	4,076	11,318	9,022
Income Tax Expense	(1,183)	(989)	(2,600)	(2,226)
Profit After Tax	3,627	3,087	8,718	6,796
<b>Other Comprehensive Income</b>				
Exchange differences on translating foreign operations	(316)	576	(493)	106
<b>Total Comprehensive Income</b>	<b>3,311</b>	<b>3,663</b>	<b>8,225</b>	<b>6,902</b>
<b>Profit attributable to :</b>				
Equity holders of the Company	3,675	3,158	8,767	6,871
Non-Controlling Interest	(48)	(71)	(49)	(75)
	<b>3,627</b>	<b>3,087</b>	<b>8,718</b>	<b>6,796</b>
<b>Total comprehensive income attributable to :</b>				
Equity holders of the Company	3,359	3,734	8,274	6,977
Non-Controlling Interest	(48)	(71)	(49)	(75)
	<b>3,311</b>	<b>3,663</b>	<b>8,225</b>	<b>6,902</b>
Earning Per Share				
- Basic (sen)	2.67	2.33	6.38	5.09
- Diluted (sen)	2.67	2.32	6.38	5.06

**The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statement for the financial year ended 31st March 2014 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 September 2014 RM'000	(Audited) As At 31 March 2014 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	94,400	93,810
Investment properties	13,992	13,986
Land held for property development	12,517	12,248
Prepaid lease payments for land	4,541	4,730
Intangible assets	837	837
	126,287	125,611
<b>Current Assets</b>		
Inventories	106,847	84,868
Trade receivables	123,771	109,720
Other receivables and prepaid expenses	3,084	3,131
Current tax assets	-	25
Cash and cash equivalents	28,221	28,400
	261,923	226,144
<b>TOTAL ASSETS</b>	<b>388,210</b>	<b>351,755</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Owners Of The Company</b>		
Issued capital	68,767	68,483
Share premium	317	313
Other reserves	39,430	39,923
Retained Earnings	102,174	93,407
	210,688	202,126
<b>Non - Controlling Interest</b>	(192)	(87)
<b>Total Equity</b>	210,496	202,039
<b>Non-Current Liabilities</b>		
Hire purchase creditors	355	-
Bank borrowings	8,120	9,843
Deferred tax liabilities	6,088	6,088
	14,563	15,931
<b>Current Liabilities</b>		
Trade payables	27,595	23,627
Other payables and accrued expenses	5,482	5,206
Hire purchase creditors	208	47
Bank borrowings	127,968	103,322
Current tax liabilities	1,898	1,583
	163,151	133,785
<b>Total Liabilities</b>	177,714	149,716
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>388,210</b>	<b>351,755</b>
Net assets per share (RM)	1.53	1.48

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2014 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)**

	<b><u>Issued Capital</u></b> RM'000	<b><u>Share Premium</u></b> RM'000	<b><u>Other Reserves</u></b> RM'000	<b><u>Retained Earning</u></b> RM'000	<b><u>Total</u></b> RM'000	<b><u>Non- Controlling Interest</u></b> RM'000	<b><u>Total Equity</u></b> RM'000
<b>Balance as at 1 April 2013</b>	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	428	-	-	-	428	-	428
Issuance of shares							
- pursuant to ESOS at exercise price of RM 0.51 per share	302	6	-	-	308	-	308
Total comprehensive income for the year	-	-	106	6,871	6,977	(75)	6,902
Acquisition of shares in a subsidiary	-	-	-	-	-	103	103
<b>Balance as at 30 September 2013</b>	<b><u>67,846</u></b>	<b><u>307</u></b>	<b><u>23,808</u></b>	<b><u>75,776</u></b>	<b><u>167,737</u></b>	<b><u>28</u></b>	<b><u>167,765</u></b>
<b>Balance as at 1 April 2014</b>	68,483	313	39,923	93,407	202,126	(87)	202,039
Issuance of shares							
- pursuant to ESOS at exercise price of RM 0.50 per share	98	-	-	-	98	-	98
Issuance of shares							
- pursuant to ESOS at exercise price of RM 0.51 per share	186	4	-	-	190	-	190
Total comprehensive income for the year	-	-	(493)	8,767	8,274	(49)	8,225
Foreign currency translations, net of tax	-	-	-	-	-	(56)	(56)
<b>Balance as at 30 September 2014</b>	<b><u>68,767</u></b>	<b><u>317</u></b>	<b><u>39,430</u></b>	<b><u>102,174</u></b>	<b><u>210,688</u></b>	<b><u>(192)</u></b>	<b><u>210,496</u></b>

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 2014 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 30.09.2014 RM'000</b>	<b>Financial Period Ended 30.09.2013 RM'000</b>
Profit for the period	8,718	6,796
<b>Adjustments for : -</b>		
Non-cash items	1,050	813
Non-operating items	2,612	2,132
Taxation	2,600	2,226
<i>Operating profit before changes in working capital</i>	<u>14,980</u>	<u>11,967</u>
<b>Changes in working capital</b>		
Net change in current assets	(36,672)	(4,174)
Net change in current liabilities	4,342	4,302
<i>Cash (used in) / generated from operations</i>	(17,350)	12,095
Interest received	27	49
Interest paid	(47)	(37)
Income tax paid	(2,253)	(1,538)
<b>Net cash (used in) / from operating activities</b>	(19,623)	10,569
<i>Cash flows from / (used in) investing activities</i>		
Interest received	571	232
Proceeds from disposal of property, plant and equipment	284	-
Purchase of property, plant and equipment	(1,808)	(11,317)
Purchase of land held for property development	(269)	-
Purchase of investment properties	(6)	-
Acquisition of a subsidiary, net of cash	-	103
<b>Net cash used in investing activities</b>	(1,228)	(10,982)
<i>Cash flows from / (used in) financing activities</i>		
Net proceeds from/ repayment of short-term borrowings	25,582	(1,955)
Issue of shares	288	736
Interest paid on bank borrowings	(3,136)	(2,328)
Net proceeds from/ repayment of hire-purchase payables	516	(40)
Repayments of finance lease payables	-	(31)
Proceeds from term loans	-	7,200
Repayments of term loans	(1,366)	(894)
<b>Net cash from financing activities</b>	21,884	2,688
<b>Net Changes in Cash &amp; Cash Equivalents</b>	1,033	2,275
Adjustment for foreign exchange differentials	(110)	(72)
Cash & Cash Equivalents at beginning of period	26,236	26,549
Cash & Cash Equivalents at end of period	<u><u>27,159</u></u>	<u><u>28,752</u></u>
* Cash and cash equivalents at end of financial period comprise the following :		
Cash and bank balances	28,221	29,674
Less: Bank overdrafts		
(included within short term borrowings in Note B6)	(1,062)	(922)
	<u><u>27,159</u></u>	<u><u>28,752</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 2014 and the accompanying explanatory notes to the interim financial reports.**

**UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2014**

**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 2014. 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 2014.

**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 2014. 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 2014 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 2014, 175,700 new ordinary shares were issued and allotted pursuant to the exercise of ESOS, of which, 112,800 share are allotted at an option price of RM 0.50, and 62,900 share are allotted at an option price of RM 0.51. The ESOS had expired on 2 August 2014.

**A8. Dividend Paid**

There were no dividend payment made in current quarter.

The first interim dividend of 1.0 sen per share, single tier, for the financial year ending 31 March 2015 had been paid on 16 October 2014.

## 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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Manufacturing of wood products	49,671	42,204	4,258	3,510
Distributing of wood products	219,196	191,429	11,659	9,422
Other operating segments	<u>1,362</u>	<u>1,172</u>	<u>(702)</u>	<u>(619)</u>
	<u>270,229</u>	<u>234,805</u>	<u>15,215</u>	<u>12,313</u>
Elimination of inter-segment revenue:				
- Manufacturing of wood products	(5,457)	(4,955)		
- Distributing of wood products	(554)	-		
- Other operating segments	<u>(1,053)</u>	<u>(966)</u>		
	<u>263,165</u>	<u>228,884</u>	<u>15,215</u>	<u>12,313</u>
Interest income			571	232
Interest expense			(3,183)	(2,364)
Depreciation and amortisation			<u>(1,285)</u>	<u>(1,159)</u>
Profit before tax			11,318	9,022
Income tax expense			<u>(2,600)</u>	<u>(2,226)</u>
Profit after tax			<u>8,718</u>	<u>6,796</u>

	<u>Assets</u>		<u>Liabilities</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Manufacturing of wood products	68,130	55,688	38,902	20,954
Distributing of wood products	239,282	187,444	127,571	98,767
Other operating segments	<u>80,798</u>	<u>51,813</u>	<u>11,241</u>	<u>7,459</u>
	<u>388,210</u>	<u>294,945</u>	<u>177,714</u>	<u>127,180</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 2014, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 293.58 million (RM 294.15 million in June 2014) 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 139.92 million (RM 136.37 million in June 2014).

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

As of 30 September 2014, the Group has the following capital commitments:

	<b>RM'000</b>
Approved and contracted for :	
Road & drainage works	262
Acquisition of land & building	608
	<u>870</u>

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

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

For the quarter ended 30 September 2014, the Group recorded a revenue of RM 129.10 million. This represented an increase of 8.43% as compared to RM 119.06 million in the preceding year corresponding quarter ended 30 September 2013. Operating profit has also increased by 22.44%, from RM 5.57 million to RM 6.82 million.

##### Manufacturing Division

The revenue was recorded at RM 22.70 million for current quarter, an increase of 21.78% as compared to RM 18.64 million in the preceding year corresponding quarter ended 30 September 2013. The increase in revenue was mainly attributed to market share expansion which enables the Group to grow continuously. Furthermore, the newly developed products and market penetration had also contributed to higher revenue.

Operating profit has increased by 13.41%, from RM 1.79 million to RM 2.03 million. The increase was mainly due to higher sales contributed by newly developed products and new market.

##### Distribution Division

The revenue was recorded as RM 106.24 million for current quarter. This represented an increase of 5.95% as compared to RM 100.27 million in the preceding year corresponding quarter ended 30 September 2013. 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 26.63%, from RM 3.98 million to RM 5.04 million. The increase in profit is contributed by improving margin achieved from new markets penetration.

## B2. Variation of Results Against Preceding Quarter

For current quarter under review, the Group's revenue decreased by 3.71% as compare to RM 134.07 million in the preceding quarter ended 30 June 2014. Profit before tax ("PBT") decreased by 26.11%, from RM 6.51 million to RM 4.81 million.

## B3. Prospects

The Board is of the view that the wood panel products' prices are not expected to experience any downside volatility in anticipation of the increased demand. However, the raw material costs and foreign exchange rates may jeopardize the company's profit performance.

The Company will continue to leverage its competitive strengths of its economies of scale to lower its costs of production, parallel with effective cost management, to ensure satisfactory performance for the current financial year.

## B4. Taxation

The taxation is calculated based on the profit for the financial year ended 30 September 2014 comprises the following:

	Current Quarter RM'000	Year To Date RM'000
<u>Income tax Expenses :</u>		
Current Tax Expense :		
Current Quarter/Year	1,183	2,600
	<u>1,183</u>	<u>2,600</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 30 September 2014 RM'000	As At 31 March 2014 RM'000
Short Term Borrowings	127,968	103,322
Long Term Borrowings	8,120	9,843
	<u>136,088</u>	<u>113,165</u>



**B7. Material Litigation**

Not applicable.

**B8. Derivatives Financial Instruments**

As at 30 September 2014, 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	3,981	4,079

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 1.0 sen per share, single tier, for the financial year ending 31 March 2015 to be paid on 30 December 2014 to shareholders whose names appear in the Record of Depositors at the close of business on 15 December 2014.

Total dividend per share for current financial year to-date is 2 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)	3,675	8,767
Weighted average number of ordinary shares ('000)	137,509	137,343
Adjusted weighted average number of ordinary shares for calculating diluted EPS ('000)	137,509	137,343
EPS (sen)	2.67	6.38
Diluted EPS (sen)	2.67	6.38

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

	<b>Current Year To Date 30.09.2014</b>	<b>As At Financial Year Ended 31.03.2014</b>
Retained Earning		
- Realised	99,766	90,691
- Unrealised	498	854
	100,264	91,545
Less : Consolidation Adjustment	1,910	1,862
<b>Total Group Retained Earning as per Consolidated Accounts</b>	<b>102,174</b>	<b>93,407</b>

**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	128	571
Other income including investment income	596	1,380
Interest expense	(1,451)	(3,183)
Depreciation and amortisation	(683)	(1,285)
Provision for and write off of receivables	(103)	(103)
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	204	310
Impairment of assets	-	-
Gain/(Loss) on foreign exchange	8	(128)
Gain/(Loss) on derivatives	N/A	N/A