

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

**CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)**  
**FOR THE THIRD QUARTER ENDED 31 DECEMBER 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 31.12.2014</b>	<b>Preceding Year Corresponding Quarter Ended 31.12.2013</b>	<b>Current Year To Date Ended 31.12.2014</b>	<b>Preceding Year Ended 31.12.2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	140,807	125,104	403,972	353,988
Profit from Operations	7,549	6,621	22,764	18,934
Interest Income	83	90	654	322
Interest Expense	(1,499)	(1,317)	(4,683)	(3,681)
Depreciation and Amortisation	(714)	(603)	(1,998)	(1,762)
Profit Before Tax	5,419	4,791	16,737	13,813
Income Tax Expense	(1,552)	(1,117)	(4,151)	(3,343)
Profit After Tax	3,867	3,674	12,586	10,470
<b>Other Comprehensive Income</b>				
Exchange differences on translating foreign operations	760	15	267	121
<b>Total Comprehensive Income</b>	<b>4,627</b>	<b>3,689</b>	<b>12,853</b>	<b>10,591</b>
<b>Profit attributable to :</b>				
Equity holders of the Company	4,095	3,748	12,862	10,619
Non-Controlling Interest	(228)	(74)	(276)	(149)
	<b>3,867</b>	<b>3,674</b>	<b>12,586</b>	<b>10,470</b>
<b>Total comprehensive income attributable to :</b>				
Equity holders of the Company	4,855	3,763	13,129	10,740
Non-Controlling Interest	(228)	(74)	(276)	(149)
	<b>4,627</b>	<b>3,689</b>	<b>12,853</b>	<b>10,591</b>
Earning Per Share				
- Basic (sen)	2.98	2.76	9.36	7.85
- Diluted (sen)	2.98	2.75	9.36	7.81

**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 31 December 2014 RM'000	(Audited) As At 31 March 2014 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	94,484	93,810
Investment properties	13,992	13,986
Land held for property development	13,377	12,248
Prepaid lease payments for land	4,758	4,730
Intangible assets	837	837
	127,448	125,611
<b>Current Assets</b>		
Inventories	104,556	84,868
Trade receivables	123,867	109,720
Other receivables and prepaid expenses	2,348	3,131
Current tax assets	-	25
Cash and cash equivalents	30,519	28,400
	261,290	226,144
<b>TOTAL ASSETS</b>	<b>388,738</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	40,190	39,923
Retained Earnings	102,132	93,407
	211,406	202,126
<b>Non - Controlling Interest</b>	(395)	(87)
<b>Total Equity</b>	211,011	202,039
<b>Non-Current Liabilities</b>		
Hire purchase creditors	306	-
Bank borrowings	7,257	9,843
Deferred tax liabilities	6,088	6,088
	13,651	15,931
<b>Current Liabilities</b>		
Trade payables	25,495	23,627
Other payables and accrued expenses	6,735	5,206
Hire purchase creditors	195	47
Bank borrowings	130,154	103,322
Current tax liabilities	1,497	1,583
	164,076	133,785
<b>Total Liabilities</b>	177,727	149,716
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>388,738</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)**

	<u>Issued</u> <u>Capital</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 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	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 for the year	-	-	121	10,619	10,740	(149)	10,591
Acquisition of shares in a subsidiary	-	-	-	-	-	103	103
Dividend	-	-	-	(4,074)	(4,074)		(4,074)
<b>Balance as at 31 December 2013</b>	<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>
<b>Balance as at 1 April 2014</b>	68,483	313	39,923	93,407	202,126	(87)	202,039
Prior year adjustment	-	-	-	(11)	(11)	(12)	(23)
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	-	-	267	12,862	13,129	(276)	12,853
Foreign currency translations, net of tax	-	-	-	-	-	(20)	(20)
Dividend	-	-	-	(4,126)	(4,126)	-	(4,126)
<b>Balance as at 31 December 2014</b>	<u>68,767</u>	<u>317</u>	<u>40,190</u>	<u>102,132</u>	<u>211,406</u>	<u>(395)</u>	<u>211,011</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 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 31.12.2014 RM'000</b>	<b>Financial Period Ended 31.12.2013 RM'000</b>
Profit for the period	12,586	10,470
<b>Adjustments for : -</b>		
Non-cash items	1,765	1,427
Non-operating items	4,029	3,359
Taxation	4,151	3,343
<i>Operating profit before changes in working capital</i>	<u>22,531</u>	<u>18,599</u>
<b>Changes in working capital</b>		
Net change in current assets	(33,854)	(24,184)
Net change in current liabilities	4,652	10,946
<i>Cash (used in) / generated from operations</i>	(6,671)	5,361
Interest received	62	49
Income tax refunded	-	46
Interest paid	(95)	(65)
Income tax paid	(4,205)	(3,232)
<b>Net cash (used in) / from operating activities</b>	(10,909)	2,159
<i>Cash flows from / (used in) investing activities</i>		
Interest received	654	322
Proceeds from disposal of property, plant and equipment	285	-
Purchase of property, plant and equipment	(2,220)	(12,735)
Purchase of land held for property development	(1,128)	-
Purchase of investment properties	(6)	-
Acquisition of a subsidiary, net of cash	-	103
<b>Net cash used in investing activities</b>	(2,415)	(12,310)
<i>Cash flows from / (used in) financing activities</i>		
Net proceeds from/ repayment of short-term borrowings	24,322	9,218
Dividends paid	(4,126)	(4,074)
Issue of shares	288	898
Interest paid on bank borrowings	(4,588)	(3,616)
Net proceeds from/ repayment of hire-purchase payables	454	(60)
Repayments of finance lease payables	-	(45)
Proceeds from term loans	-	7,200
Repayments of term loans	(2,060)	(1,366)
<b>Net cash from financing activities</b>	<u>14,290</u>	<u>8,155</u>
<b>Net Changes in Cash &amp; Cash Equivalents</b>	966	(1,996)
Adjustment for foreign exchange differentials	847	80
Cash & Cash Equivalents at beginning of period	26,236	26,549
Cash & Cash Equivalents at end of period	<u><u>28,049</u></u>	<u><u>24,633</u></u>
* Cash and cash equivalents at end of financial period comprise the following :		
Cash and bank balances	30,519	27,221
Less: Bank overdrafts		
(included within short term borrowings in Note B6)	(2,470)	(2,588)
	<u><u>28,049</u></u>	<u><u>24,633</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 31 DECEMBER 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**

The ESOS had expired on 2 August 2014.

**A8. Dividend Paid**

(a) For financial year ended 31 March 2014

A final dividend of 1.0 sen per share, single tier, for the financial year ended 31 March 2014, amounting to RM 1,375,334, was paid by the Company on 16 October 2014.

**A8. Dividend Paid (continued)**

(b) For financial year ending 31 March 2015

A first interim dividend of 1.0 sen per share, single tier, in respect of financial year ending 31 March 2015, total amounting to RM 1,375,334, was paid by the company on 16 October 2014.

A second interim dividend of 1.0 sen per share, single tier, in respect of financial year ending 31 March 2015, total amounting to RM 1,375,334, was paid by the company on 30 December 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	73,914	64,069	6,520	5,650
Distributing of wood products	338,331	296,924	16,935	14,170
Other operating segments	<u>2,043</u>	<u>3,208</u>	<u>(691)</u>	<u>(886)</u>
	414,288	364,201	22,764	18,934
Elimination of inter-segment revenue:				
- Manufacturing of wood products	(8,173)	(7,365)		
- Distributing of wood products	(564)	-		
- Other operating segments	<u>(1,579)</u>	<u>(2,848)</u>		
	<u>403,972</u>	<u>353,988</u>	22,764	18,934
Interest income			654	322
Interest expense			(4,683)	(3,681)
Depreciation and amortisation			<u>(1,998)</u>	<u>(1,762)</u>
Profit before tax			16,737	13,813
Income tax expense			<u>(4,151)</u>	<u>(3,343)</u>
Profit after tax			<u>12,586</u>	<u>10,470</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	65,308	56,459	36,485	23,955
Distributing of wood products	241,348	202,917	130,570	114,457
Other operating segments	<u>82,082</u>	<u>53,676</u>	<u>10,672</u>	<u>7,098</u>
	<u>388,738</u>	<u>313,052</u>	<u>177,727</u>	<u>145,510</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 2014, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 333.39 million (RM 293.58 million in September 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 139.64 million (RM 139.92 million in September 2014).

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

As of 31 December 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 31 December 2014, the Group recorded a revenue of RM 140.81 million. This represented an increase of 12.56% as compared to RM 125.10 million in the preceding year corresponding quarter ended 31 December 2013. Operating profit has also increased by 14.05%, from RM 6.62 million to RM 7.55 million.

##### **Manufacturing Division**

The revenue was recorded at RM 21.53 million for current quarter, an increase of 10.64% as compared to RM 19.46 million in the preceding year corresponding quarter ended 31 December 2013. The increase in revenue was mainly attributed to market share expansion and newly developed products, which enables the Group to grow continuously.

Operating profit has increased by 5.61%, from RM 2.14 million to RM 2.26 million. The increase was mainly due to higher sales volume.

##### **Distribution Division**

The revenue was recorded as RM 119.13 million for current quarter. This represented an increase of 12.92% as compared to RM 105.50 million in the preceding year corresponding quarter ended 31 December 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 11.16%, from RM 4.75 million to RM 5.28 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 9.07%, from RM 129.10 million to RM 140.81 million. Profit before tax ("PBT") increased by 12.68%, from RM 4.81 million to RM 5.42 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 31 December 2014 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	1,552	4,151
	<u>1,552</u>	<u>4,151</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 December 2014 <u>RM'000</u>	As At 31 March 2014 <u>RM'000</u>
Short Term Borrowings	130,154	103,322
Long Term Borrowings	7,257	9,843
	<u>137,411</u>	<u>113,165</u>



**B7. Material Litigation**

Not applicable.

**B8. Derivatives Financial Instruments**

As at 31 December 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	929	957

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 2.0 sens per share, single tier, for the financial year ending 31 March 2015 to be paid on 8 April 2015 to shareholders whose names appear in the Record of Depositors at the close of business on 18 March 2015.

Total dividend per share for current financial year to-date is 4.0 sens.

**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)	4,095	12,862
Weighted average number of ordinary shares ('000)	137,533	137,407
Adjusted weighted average number of ordinary shares for calculating diluted EPS ('000)	137,533	137,407
EPS (sen)	2.98	9.36
Diluted EPS (sen)	2.98	9.36

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

	<b>Current Year To Date 31.12.2014</b>	<b>As At Financial Year Ended 31.03.2014</b>
Retained Earning		
- Realised	99,374	90,691
- Unrealised	608	854
	99,982	91,545
Less : Consolidation Adjustment	2,150	1,862
Total Group Retained Earning as per Consolidated Accounts	102,132	93,407

**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	83	654
Other income including investment income	1,077	2,457
Interest expense	(1,499)	(4,683)
Depreciation and amortisation	(714)	(1,998)
Provision for and write off of receivables	(145)	(248)
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	-	310
Impairment of assets	-	-
Gain/(Loss) on foreign exchange	124	(4)
Gain/(Loss) on derivatives	N/A	N/A