

DOMINANT ENTERPRISE BERHAD
(Company No.221206-D)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015

	<u>FYE2016</u>	<u>FYE2015</u>	<u>FYE2016</u>	<u>FYE2015</u>
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 31.12.2015	Preceding Year Corresponding Quarter Ended 31.12.2014	Current Year To Date Ended 31.12.2015	Preceding Year Ended 31.12.2014
	RM'000	RM'000	RM'000	RM'000
Revenue	145,089	140,807	414,915	403,972
Profit from Operations	7,237	7,549	22,845	22,764
Interest Income	334	83	1,010	654
Interest Expense	(1,793)	(1,499)	(5,407)	(4,683)
Depreciation and Amortisation	(739)	(714)	(2,195)	(1,998)
Profit Before Tax	5,039	5,419	16,253	16,737
Income Tax Expense	(1,337)	(1,552)	(4,076)	(4,151)
Profit After Tax	3,702	3,867	12,177	12,586
Other Comprehensive Income				
Exchange differences on translating foreign operations	(753)	760	3,494	267
Fair value changes on available-for-sale financial assets	18	-	(23)	-
Total Comprehensive Income	<u>2,967</u>	<u>4,627</u>	<u>15,648</u>	<u>12,853</u>
Profit attributable to :				
Equity holders of the Company	3,696	4,095	12,229	12,862
Non-Controlling Interest	6	(228)	(52)	(276)
	<u>3,702</u>	<u>3,867</u>	<u>12,177</u>	<u>12,586</u>
Total comprehensive income attributable to :				
Equity holders of the Company	2,961	4,855	15,700	13,129
Non-Controlling Interest	6	(228)	(52)	(276)
	<u>2,967</u>	<u>4,627</u>	<u>15,648</u>	<u>12,853</u>
Earning Per Share				
- Basic (sen)	2.24	2.98	7.41	9.36
- Diluted (sen)	-	-	-	-

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statement for the financial year ended 31st March 2015 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 2015 RM'000	(Audited) As At 31 March 2015 RM'000
ASSETS		
<u>Non-Current Assets</u>		
Property, plant and equipment	86,298	85,952
Investment properties	13,992	13,992
Land held for property development	13,447	13,392
Prepaid lease payments for land	5,833	4,909
Intangible assets	837	837
Other Investments	35,429	-
	<u>155,836</u>	<u>119,082</u>
<u>Current Assets</u>		
Inventories	106,041	79,233
Trade receivables	136,749	128,154
Other receivables and prepaid expenses	3,261	6,025
Current tax assets	2	18
Cash and cash equivalents	10,724	50,320
	<u>256,777</u>	<u>263,750</u>
TOTAL ASSETS	<u>412,613</u>	<u>382,832</u>
EQUITY AND LIABILITIES		
<u>Equity Attributable To Owners Of The Company</u>		
Issued capital	82,520	68,767
Share premium	317	317
Other reserves	36,669	33,198
Retained Earnings	110,537	116,462
	<u>230,043</u>	<u>218,744</u>
Non - Controlling Interest	(409)	(341)
Total Equity	<u>229,634</u>	<u>218,403</u>
<u>Non-Current Liabilities</u>		
Hire purchase creditors	277	460
Bank borrowings	4,864	6,379
Deferred tax liabilities	5,644	5,644
	<u>10,785</u>	<u>12,483</u>
<u>Current Liabilities</u>		
Trade payables	17,713	22,989
Other payables and accrued expenses	5,012	8,541
Hire purchase creditors	312	213
Bank borrowings	148,062	117,761
Current tax liabilities	1,095	2,442
	<u>172,194</u>	<u>151,946</u>
Total Liabilities	<u>182,979</u>	<u>164,429</u>
TOTAL EQUITY AND LIABILITIES	<u>412,613</u>	<u>382,832</u>
Net assets per share (RM)	1.39	1.59

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2015 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 Earnings</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 2014	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)
Balance as at 31 December 2014	<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>
Balance as at 1 April 2015	68,767	317	33,198	116,462	218,744	(341)	218,403
Issuance of shares							
- pursuant to bonus issue	13,753	-	-	(13,753)	-	-	-
Total comprehensive income for the year	-	-	3,471	12,229	15,700	(52)	15,648
Foreign currency translations, net of tax	-	-	-	-	-	(16)	(16)
Dividend	-	-	-	(4,401)	(4,401)	-	(4,401)
Balance as at 31 December 2015	<u>82,520</u>	<u>317</u>	<u>36,669</u>	<u>110,537</u>	<u>230,043</u>	<u>(409)</u>	<u>229,634</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 2015 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 31.12.2015 RM'000	Financial Period Ended 31.12.2014 RM'000
Profit for the period	12,177	12,586
Adjustments for : -		
Non-cash items	1,497	1,765
Non-operating items	4,397	4,029
Taxation	4,076	4,151
<i>Operating profit before changes in working capital</i>	<u>22,147</u>	<u>22,531</u>
Changes in working capital		
Net change in current assets	(28,343)	(33,854)
Net change in current liabilities	(9,184)	4,652
<i>Cash used in operations</i>	(15,380)	(6,671)
Interest received	8	62
Interest paid	(128)	(95)
Income tax paid	(5,458)	(4,205)
Net cash used in operating activities	(20,958)	(10,909)
<i>Cash flows from / (used in) investing activities</i>		
Interest received	1,010	654
Proceeds from disposal of property, plant and equipment	4	285
Purchase of property, plant and equipment	(1,206)	(2,220)
Purchase of land held for property development	(74)	(1,128)
Purchase of investment properties	-	(6)
Acquisition of other investments	(35,452)	-
Net cash used in investing activities	(35,718)	(2,415)
<i>Cash flows from / (used in) financing activities</i>		
Net proceeds from/ repayment of short-term borrowings	29,230	24,322
Dividends paid	(4,401)	(4,126)
Issue of shares	-	288
Interest paid on bank borrowings	(5,279)	(4,588)
Net proceeds from/ repayment of hire-purchase payables	(84)	454
Repayments of term loans	(2,110)	(2,060)
Net cash from financing activities	17,356	14,290
Net Changes in Cash & Cash Equivalents	(39,320)	966
Adjustment for foreign exchange differentials	(14)	847
Cash & Cash Equivalents at beginning of period	49,074	26,236
Cash & Cash Equivalents at end of period	<u>9,740</u>	<u>28,049</u>
* Cash and cash equivalents at end of financial period comprise the following :		
Cash and bank balances	10,724	30,519
Less: Bank overdrafts		
(included within short term borrowings in Note B6)	(984)	(2,470)
	<u>9,740</u>	<u>28,049</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2015 and the accompanying explanatory notes to the interim financial reports.

UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2015

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 2015. 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 2015.

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 2015. 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 2015. The adoption has no significant impact on the financial statements of the Group.

A3. Audit Qualification on Preceding Annual Financial Statements

The audit report of the Group's annual Financial Statements for the financial year ended 31 March 2015 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

There are no issuance and repayment of debts and equity securities during the current quarter and the financial year to date.

A8. Dividend Paid

For financial year ending 31 March 2016

A second interim dividend of 1.0 sen per share, single tier, in respect of financial year ending 31 March 2016, amounting to RM 1,650,401, was paid by the company on 23 December 2015.

A9. Valuations of Property, Plant and Equipment

There is no significant changes during the financial year.

A10. Segmental Reporting

	<u>Revenue</u>		<u>Segment Results</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Manufacturing of wood products	89,684	73,914	8,244	6,520
Distributing of wood products	344,170	338,331	15,487	16,935
Other operating segments	<u>17,121</u>	<u>2,043</u>	<u>(886)</u>	<u>(691)</u>
	<u>450,975</u>	<u>414,288</u>	<u>22,845</u>	<u>22,764</u>
Elimination of inter-segment revenue:				
- Manufacturing of wood products	(6,888)	(8,173)		
- Distributing of wood products	(12,455)	(564)		
- Other operating segments	<u>(16,717)</u>	<u>(1,579)</u>		
	<u>414,915</u>	<u>403,972</u>	<u>22,845</u>	<u>22,764</u>
Interest income			1,010	654
Interest expense			(5,407)	(4,683)
Depreciation and amortisation			<u>(2,195)</u>	<u>(1,998)</u>
Profit before tax			16,253	16,737
Income tax expense			<u>(4,076)</u>	<u>(4,151)</u>
Profit after tax			<u>12,177</u>	<u>12,586</u>

	<u>Assets</u>		<u>Liabilities</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Manufacturing of wood products	75,787	65,308	44,063	36,485
Distributing of wood products	254,490	241,348	125,491	130,570
Other operating segments	<u>82,334</u>	<u>82,082</u>	<u>6,686</u>	<u>10,672</u>
	<u>412,611</u>	<u>388,738</u>	<u>176,240</u>	<u>177,727</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 2015, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 386.60 million (RM 372.43 million in September 2015) 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 157.39 million (RM 161.05 million in September 2015).

A14. Capital Commitment

As of 31 December 2015, the Group has the following capital commitments:

	RM'000
Approved and contracted for :	
Road & drainage works	201
Earthwork & brick retaining wall	148
Building construction cost & piling works	5,550
	<u>5,899</u>

Additional Information Required by the Bursa Malaysia Listing Requirements

B1. Review of the Performance

For the quarter ended 31 December 2015, the Group recorded a revenue of RM 145.09 million. This represents an increase of 3.04% as compared to RM 140.81 million in the preceding year corresponding quarter ended 31 December 2014. However, operating profit has decreased by 4.11%, from RM 7.55 million to RM 7.24 million.

Manufacturing Division

The revenue was recorded at RM 30.07 million for current quarter, an increase of 39.67% as compared to RM 21.53 million in the preceding year corresponding quarter ended 31 December 2014. 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 32.74%, from RM 2.26 million to RM 3.00 million. The increase in operating profit was in line with the increase in revenue.

Distribution Division

The revenue was recorded as RM 114.99 million for current quarter. This represented a decrease of 3.48% as compared to RM 119.13 million in the preceding year corresponding quarter ended 31 December 2014. The decrease in revenue was mainly due to slow down in market demand.

Operating profit has declined by 9.47% from RM 5.28 million to RM 4.78 million, as a result of the increase in costs of distributed products and operating costs due to depreciation of Ringgit Malaysia.

B2. Variation of Results Against Preceding Quarter

For current quarter under review, the Group's revenue increased by 1.60% as compared to RM 142.80 million in the preceding quarter ended 30 September 2015. The profit before tax ("PBT") decreased by 2.33%, from RM 5.16 million to RM 5.04 million.

B3. Prospects

The Board is of the view that the wood panel products' prices are not expected to experience any significant volatility. 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, in order to achieve satisfactory performance in coming financial year.

B4. Taxation

The taxation is calculated based on the profit for the financial year ended 31 December 2015 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	1,337	4,076
	<u>1,337</u>	<u>4,076</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 2015 <u>RM'000</u>	As At 31 March 2015 <u>RM'000</u>
Short Term Borrowings	148,062	117,761
Long Term Borrowings	4,864	6,379
	<u>152,926</u>	<u>124,140</u>

B7. Material Litigation

Not applicable.

B8. Derivatives Financial Instruments

As at 31 December 2015, 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	11,960	12,199

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 2016 to be paid on 30 March 2016 to shareholders whose names appear in the Record of Depositors at the close of business on 11 March 2016.

Total dividend per share for current financial year-to-date is 3.0 sens.

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)	3,696	12,229
Weighted average number of ordinary shares ('000)	165,040	165,040
EPS (sen)	2.24	7.41

B11. Realised and Unrealised Profit/Losses Disclosure

	Current Year To Date 31.12.2015	As At Financial Year Ended 31.03.2015
Retained Earning		
- Realised	107,155	112,886
- Unrealised	1,280	1,497
	108,435	114,383
Consolidation Adjustment	2,102	2,079
Total Group Retained Earning as per Consolidated Accounts	110,537	116,462

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	334	1,010
Other income including investment income	408	3,598
Interest expense	(1,793)	(5,407)
Depreciation and amortisation	(739)	(2,195)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain/(Loss) on disposal of quoted or unquoted investments	-	-
Gain/(Loss) on disposal of property, plant and equipment	-	4
Impairment of assets	-	-
Gain/(Loss) on foreign exchange	130	1,366
Gain/(Loss) on derivatives	N/A	N/A