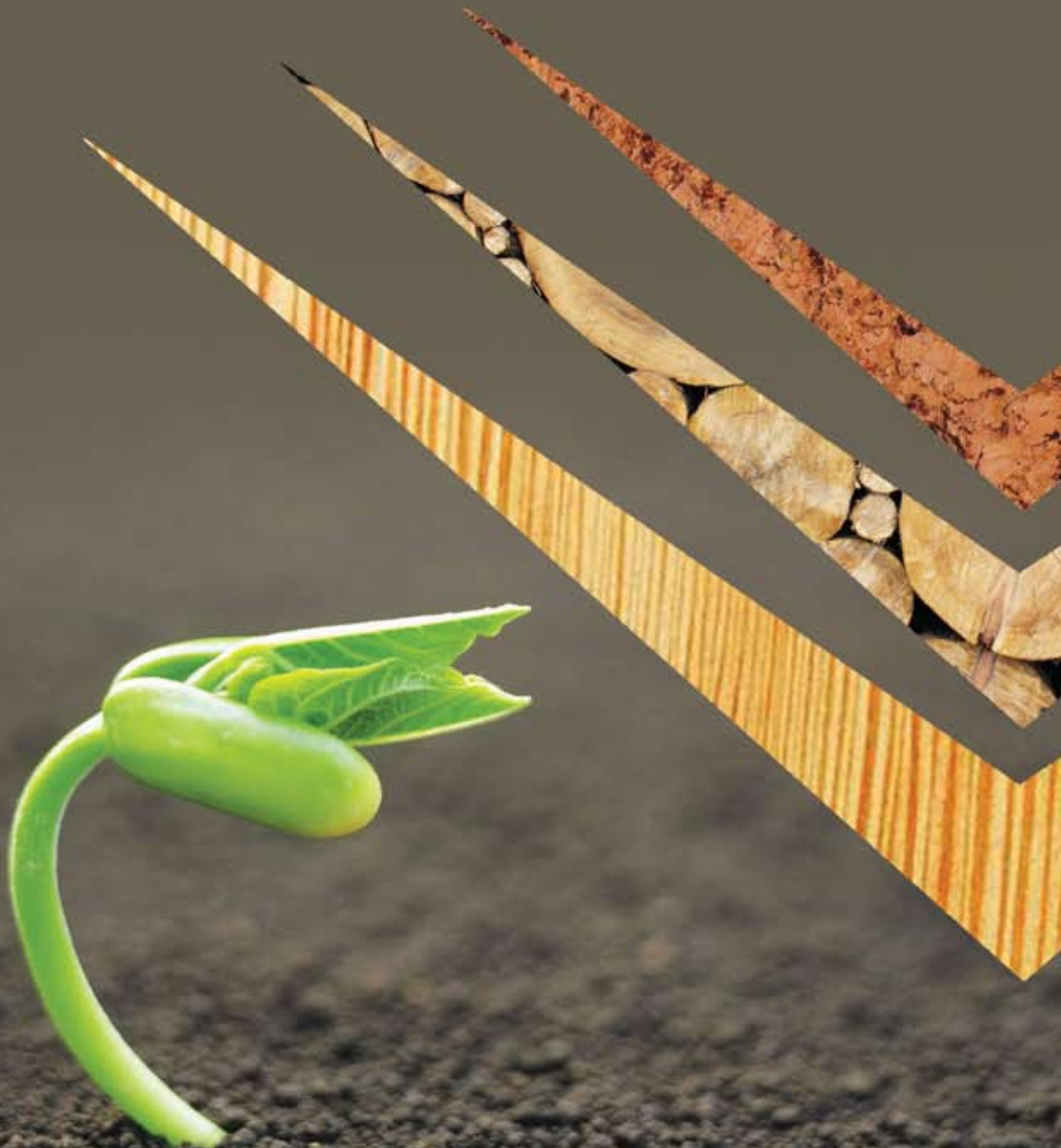




Dominant
Enterprise Berhad
(221206-D)

Creating Opportunity



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NOTICE IS HEREBY GIVEN THAT the Eighteenth Annual General Meeting of **DOMINANT ENTERPRISE BERHAD** will be held at **Sri Ledang Hall, 2nd Floor, Mutiara Johor Bahru, Jalan Dato Sulaiman, Taman Century, 80250 Johor Bahru, Johor Darul Takzim, Malaysia** on **Monday, 20 September 2010 at 10.00 a.m.** for the following purposes :-

ORDINARY BUSINESS

- | | |
|--|------------------------------------|
| | Resolution on Proxy Form |
| | Please refer to Explanatory Note 1 |
| 1. To receive the Audited Financial Statements for the financial year ended 31 March 2010 and the Reports of the Directors and Auditors thereon. | |
| 2. To approve a Final Dividend of 1 sen per share, less 25% Tax, in respect of the financial year ended 31 March 2010. | Resolution 1 |
| 3. To approve the payment of Directors' fees of RM172,000 for the financial year ended 31 March 2010. | Resolution 2 |
| 4. To re-elect the following Directors who retire pursuant to Article 84 of the Company's Articles of Association :- | |
| i. Cha Aku Wai @ Sia Ah Kow | Resolution 3 |
| ii. Hj. Mohd Khalid Bin Idris | Resolution 4 |
| iii. Tan Meng Poo | Resolution 5 |
| 5. To re-appoint Messrs. Deloitte KassimChan as Auditors of the Company and to authorise the Directors to fix their remuneration. | Resolution 6 |

SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions, with or without modifications:

- | | |
|--|--------------|
| 6. ORDINARY RESOLUTION 1 :
AUTHORITY TO DIRECTORS TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 | Resolution 7 |
| “THAT subject always to the Companies Act, 1965, Articles of Association of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/ regulatory bodies, where such approval is necessary, full authority be and is hereby given to the Directors pursuant to Section 132D of the Companies Act, 1965 to issue not more than ten percent (10%) of the issued capital of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof AND THAT authority be and is hereby given to the Directors to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad.” | |
| 7. ORDINARY RESOLUTION 2 :
PROPOSED AUTHORISATION TO ENABLE DOMINANT ENTERPRISE BERHAD TO PURCHASE UP TO 10% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY PURSUANT TO SECTION 67A OF THE COMPANIES ACT, 1965 | Resolution 8 |
| “THAT subject always to the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”) and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorized, to the fullest extent permitted by law, to purchase such amount of ordinary shares of RM0.50 each in the Company (“Proposed Share Buy-Back”) as may be determined by the Directors | |



of the Company from time to time through the Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-

- (a) the aggregate number of shares which may be purchased does not exceed ten percent (10%) of the total issued and paid up share capital of the Company as quoted on Bursa Securities as at the point of purchase;
- (b) the maximum fund to be allocated by the Company in relation to the Proposed Share Buy-Back shall not exceed the sum of the retained profits and the share premium account of the Company based on the latest audited financial statements available up to the date of a transaction under the Proposed Share Buy-Back;
- (c) the Directors of the Company at their discretion may decide either to retain the shares so purchased as treasury shares or cancel the treasury shares or retain part of the treasury shares and cancel the remainder or to resell the treasury shares or to distribute the treasury shares as dividend.
- (d) the authority conferred by this resolution to facilitate the Proposed Share Buy-Back will be effective immediately upon the passing of this ordinary resolution and will continue in force until:-
 - (i) the conclusion of the next Annual General Meeting of the Company at which time the authority shall lapse unless by ordinary resolution passed at a general meeting, the authority is renewed either unconditionally or subject to conditions; or
 - (ii) The expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
 - (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,
 whichever occurs first.

AND THAT authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and the entering into of all other agreements, arrangements and guarantees with any party or parties) to implement, finalize and give full effect to the aforesaid purchase(s) with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and to deal with all matters relating thereto and take all steps and do all acts and things in any manner as they may deem necessary in connection with the Proposed Share Buy-Back in the interest of the Company.”

8. SPECIAL RESOLUTION

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

Resolution 9

“THAT the existing Article 150 be deleted in its entirety and that the following new Article 150 be adopted :

Article 150

Payment of dividend, interest or other money payable in cash, by cheque or electronic transfer

Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or paid via electronic transfer of remittance to the account provided by the holder who is named on the Register of Members and/or Record of Depositors. Every such cheque or warrant or electronic transfer of remittance shall be made payable to the order of the person to whom it is sent or remitted, and the payment of any such cheque or warrant or electronic transfer of remittance shall operate as a good discharge to the Company in respect of the dividend, interest or other money payable in cash represented thereby notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon, or the instruction for the electronic transfer of remittance, has been forged. Every such cheque or warrant or electronic transfer of remittance shall be sent or remitted at the risk of the person entitled to the money thereby represented.”

9. To transact any other business of which due notice shall have been given.



NOTICE OF ENTITLEMENT DATE AND DIVIDEND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT the proposed Final Dividend of 1 sen per share, less 25% tax, in respect of the financial year ended 31 March 2010, if approved, will be paid on **4 October 2010** to depositors registered in the Record of Depositors at the close of business on **24 September 2010**.

A depositor shall qualify for entitlement only in respect of:-

- (a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on **24 September 2010** in respect of ordinary transfers; and
- (b) Shares brought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

DOMINANT ENTERPRISE BERHAD

YONG MAY LI (f) (LS0000295)
Company Secretary

Johor Bahru,
27 August 2010

NOTES

1. A member of the Company entitled to attend and vote at the meeting may appoint a proxy or proxies (but not more than two) to attend and vote in his/her stead. A proxy may but need not be a Member of the Company.
2. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her holding to be represented by each proxy.
3. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 is allowed to appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. The instrument appointing a proxy, in the case of an individual shall be signed by the appointor or his/her attorney duly authorised in writing and in the case of a corporation, either under seal or under the hand of an officer duly authorised. If no name is inserted in the space for the name of your proxy, the Chairman of the Meeting will act as your proxy.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company situated at Suite 1301, 13th Floor, City Plaza, 80300 Johor Bahru, Johor Darul Takzim, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

EXPLANATORY NOTES

1. **ITEM 1 OF THE AGENDA**

This Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. **ITEM 6 OF THE AGENDA**

ORDINARY RESOLUTION 1

AUTHORITY TO DIRECTORS TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

The Ordinary Resolution 1 proposed under item 6 of the Agenda will give powers to the Directors to issue up to a maximum ten per centum (10%) of the issued share capital of the Company for the time being for such purposes as the Directors would consider in the best interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting of the Company.

The general mandate sought for issue of securities is a renewal of the mandate that was approved by the shareholders on 14 September 2009. The Company did not utilize the mandate that was approved last year. The renewal of



the general mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions.

3. ITEM 7 OF THE AGENDA

ORDINARY RESOLUTION 2

PROPOSED AUTHORISATION TO ENABLE DOMINANT ENTERPRISE BERHAD TO PURCHASE UP TO 10% OF THE ISSUED AND PAID UP SHARE CAPITAL OF THE COMPANY PURSUANT TO SECTION 67A OF THE COMPANIES ACT, 1965

The Ordinary Resolution 2 proposed under item 7, if passed, will give authority to the Company to purchase up to 10% of the issued and paid up share capital of the Company pursuant to Section 67A of the Companies Act, 1965

Please refer to the Circular to Shareholders dated 27 August 2010 for further information.

4. ITEM 8 OF THE AGENDA

SPECIAL RESOLUTION

PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

The proposed Special Resolution is to amend the Company's Articles of Association in line with the amendments in the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad in relation to e-Dividend.

1. The Directors who are standing for re-election at the Eighteenth Annual General Meeting of Dominant Enterprise Berhad are :
Retiring under Article 84 of the Company's Articles of Association :
 - i. Cha Aku Wai @ Sia Ah Kow
 - ii. Hj. Mohd Khalid Bin Idris
 - iii. Tan Meng Poo
2. Further details of Directors standing for re-election are set out in the Directors' Profile appearing on page **8** of this Annual Report.
3. Details of Directors' shareholding are set out in page **70** of this Annual Report.





Board of Directors

Teo Ah Bah @ Teo Chuang Kwee **Non-Executive Chairman**
Cha Aku Wai @ Sia Ah Kow **Managing Director**
Owee Geok Choon **Deputy Managing Director**
Kuah Boo Cheng @ Kuah Kwai Yoke **Executive Director**
Chai Soon Too **Executive Director**
Hj Mohd Khalid Bin Idris **Independent Non-Executive Director**
Tan Meng Poo **Independent Non-Executive Director**
Johnson Kandasamy A/L David Nagappan **Independent Non-Executive Director**



Audit Committee

Hj Mohd Khalid Bin Idris **Chairman**
Tan Meng Poo **Member**
Johnson Kandasamy A/L David Nagappan **Member**

Auditor

Deloitte KassimChan (AF0080)
21, Jalan Tun Abdul Razak, Susur 1/1,
80000 Johor Bahru, Johor.
Tel : 607 – 222 5988
Fax : 607 – 224 7508

Company Secretary

Yong May Li (LS No.0000295)

Registered Office

Suite 1301, 13th Floor, City Plaza, Jalan Tebrau,
80300 Johor Bahru, Johor.
Tel : 607 – 335 4988
Fax : 607 – 335 4977

Principal Bankers

Affin Bank Berhad
AmBank (M) Berhad
EON Bank Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
OCBC Bank Group
RHB Bank Berhad
United Overseas Bank Group

Share Registrar

Tricor Investor Services Sdn Bhd (19234-W)
Level 17, The Gardens North Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur, Malaysia.
Tel : 603 – 2264 3883
Fax : 603 – 2282 1886

Stock Exchange

Main Market of Bursa Malaysia Securities
Berhad (635998-W)
Stock Name: DOMINAN
Stock Code : 7169





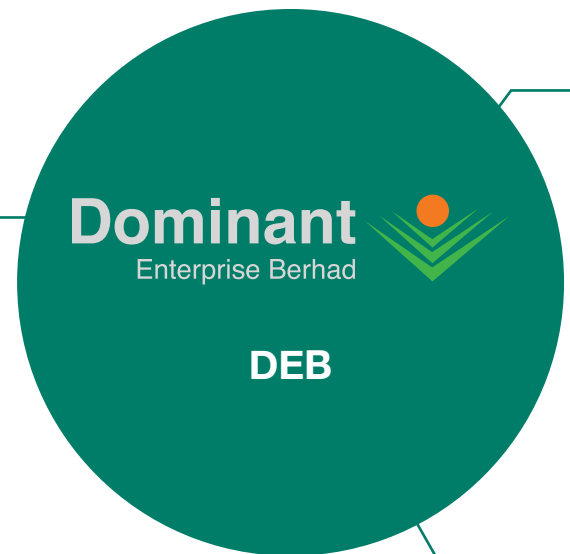
Manufacturing Division

Premier Woodprofile Sdn Bhd
"PWSB" **100%**

Bripanel Industries Sdn Bhd
"BISB" **100%**

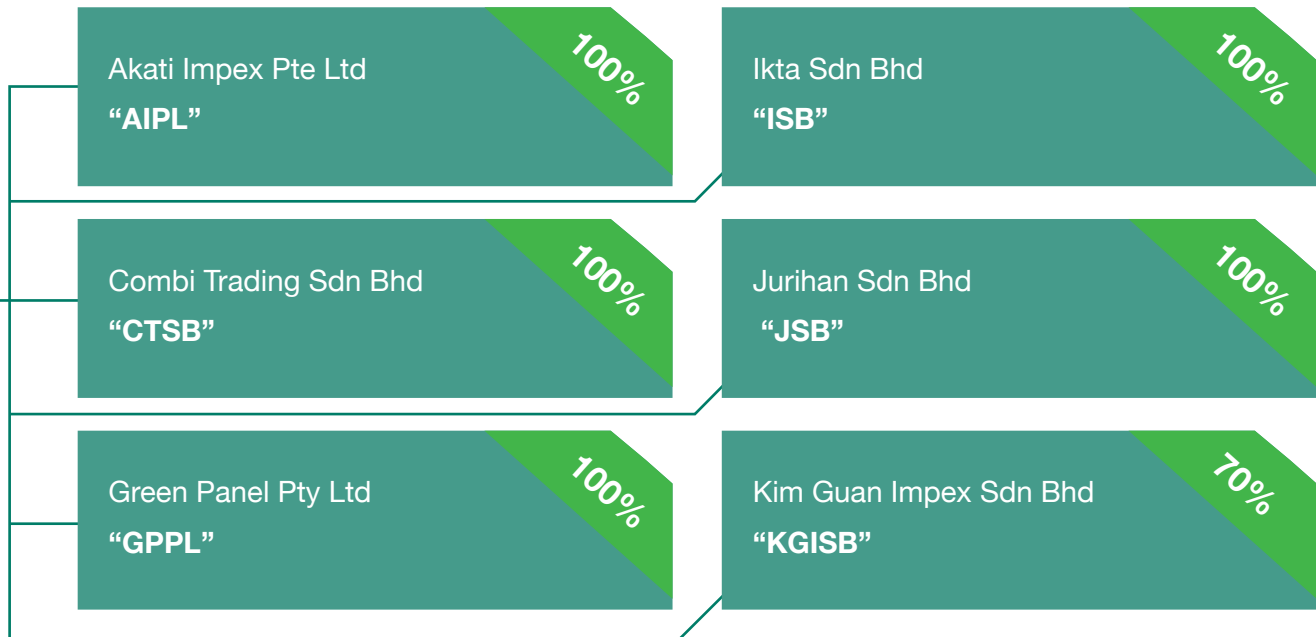
Ecopanel Industries Sdn Bhd
"EISB" **100%**

Akati Wood (Vietnam) Co Ltd
"AWVCL" **100%**

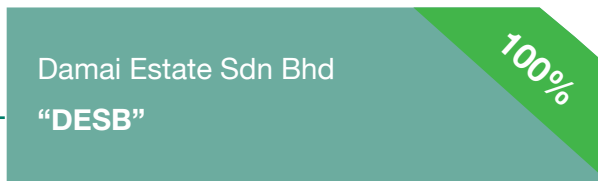




Distribution Division



Other




Teo Ah Bah @ Teo Chuang Kwee
Non-Executive Chairman

Teo Ah Bah @ Teo Chuang Kwee, aged **62, Malaysian**, is one of the founders of Dominant Group and was appointed as the Executive Chairman on 17 December 1993. He was redesignated to his current position with effect from 12 November 2004. He graduated from the University of Singapore with a Bachelor of Science in Applied Chemistry in 1974. Upon graduation, he joined his family company, Ayer Hitam Sawmill Co. Sdn. Bhd., which was involving in timber logging and sawmill for both export and domestic markets. He, together with his brothers had successfully set up many other businesses including property development, trading and manufacturing. He is now the managing director of Gromutual Bhd.

Cha Aku Wai @ Sia Ah Kow
Managing Director

Cha Aku Wai @ Sia Ah Kow, aged **59, Malaysian**, is one of the founders of the Dominant Group and was appointed as the Managing Director of Dominant on 17 December 1993. He graduated with a Bachelor of Commerce majoring in Accounting from Nanyang University Singapore in 1974. He was admitted as a registered accountant of the Singapore Society of Accountants in 1978. He started a trading and distribution of wood-based products company in Singapore, namely Akati Pte Ltd, which was eventually restructured to AIPL. The trading business grew rapidly and this prompted him to set up ISB and CTSB to capture the market of Malaysia. With his entrepreneurship and long-term strategic view, he successfully established the manufacturing operations of Dominant through the incorporation of PWSB and BISB in 1994. He is the main driving force behind the Dominant Group and is actively involved in its overall operations and corporate planning.

Owee Geok Choon
Deputy Managing Director

Owee Geok Choon, aged **39, Malaysian**, was appointed as the Director of Dominant on 18 April 2003. He was redesignated to his current position with effect from 1 January 2010. He graduated with a Bachelor of Commerce majoring in Accounting from Monash University, Australia in 1993. He started his career with AIPL as an Export Marketing Executive. With his dedication and ability, he was later offered the position of General Manager in CTSB in 1996. Apart from overseeing the day-to-day operations of CTSB and BISB, he is also responsible for the business development and implementation of the companies' marketing strategies.

Kuah Boo Cheng @ Kuah Kwai Yoke
Executive Director

Kuah Boo Cheng @ Kuah Kwai Yoke, aged **56, Singaporean**, was appointed as the Director of Dominant on 18 April 2003. He is also a Director and General Manager of AIPL. He obtained a Diploma in Business Management from Singapore Institute of Management in 1995. In 1992, he joined AIPL as a Director. With his hands-on experience in the wood panel industry, he is instrumental in the sourcing of and negotiation for the supply of plywood and other wood-based materials of the Dominant Group as well as developing close relationships with the suppliers. As the main driving force of AIPL, he is in charged of the day-to-day operations, the development and implementation of AIPL's business and marketing strategies. He was appointed as the director of GPPL in year 2005.

Chai Soon Too
Executive Director

Chai Soon Too, aged **49, Malaysian**, was appointed as the Director of Dominant on 18 April 2003. He is also the Director and General Manager of ISB and JSB. He is the co-founder of JSB and was instrumental in setting up ISB's offices in Butterworth and Kota Bahru. He graduated with a Bachelor of Business Administration from National Chung-Hsing University, Taiwan in 1985. In 1993, he joined ISB as Director. He is responsible for overseeing the day-to-day operations of ISB and is also in charged of the business development and establishment of new distribution networks of ISB and JSB. He was appointed as the director of EISB and KGISB in financial year 2005.

Tan Meng Poo
Independent Non-Executive Director

Tan Meng Poo, aged **49, Malaysian**, was appointed as the Director of Dominant on 18 April 2003. He graduated with a Bachelor of Law (Honours) from University of Malaya in 1985 and was admitted as an advocate and solicitor in 1986. He was in active legal practice until 31st December 2005. He is now a Regional Director of a non-profit organization. His responsibility is to provide leadership for the Asia Pacific work of that organization.

Hj Mohd Khalid Bin Idris

Independent Non-Executive Director

Hj Mohd Khalid Bin Idris, aged **66, Malaysian**, was appointed as the Director of Dominant on 18 April 2003. He started his career with the Inland Revenue Department in 1965 and resigned as an Examiner in 1975 to join a Public Accounting Firm as a Tax Manager. He started his own management consultancy firm, Khalid & Associate Sdn Bhd in 1986. He has been the director of the company since then. He is a member of the Malaysian Association of Company Secretaries and Malaysian Institute of Taxation.

Johnson Kandasamy
A/L David Nagappan
Independent Non-Executive Director

Johnson Kandasamy A/L David Nagappan, aged **49, Malaysian**, was appointed as the Director of Dominant on 1 November 2004. He started his career in accountancy in 1981 as an audit trainee with a local accounting firm. Prior to establishing his own accounting firm, JK David & Co. in 2002, he served in various capacities in two other local accounting firms. He is a Chartered Accountant registered with the Malaysian Institute of Accountants, a Fellow of the Association of Chartered Certified Accountants, an associate of the Chartered Tax Institute of Malaysia, an approved tax agent and also a Certified Financial Planner.

Family Relationship of Directors

None of the directors has any family relationship with any directors and/or major shareholders of the Company other than as disclosed below :-

1. Cha Aku Wai @ Sia Ah Kow is the brother in law of Teo Ah Bah @ Teo Chuang Kwee

Conflict of Interest

None of the directors has any conflict of interest with the Company.

Conviction of Offence

None of the directors has been convicted of any offence within the past 10 years other than traffic offences.

Securities Holdings

The particulars of the directors' shareholdings are set out in page 70 of this Annual Report.



Dear Shareholders,

On behalf of the Board of Directors of Dominant Enterprise Berhad ("Dominant"), I am pleased to present to you the Annual Report and the audited accounts of the Group and Company for the financial year ended 31 March 2010 ("FY2010").

Economic Review

2009 was largely characterised by the slowdown in the global economy, with the South East Asian region not spared from the effects of dampened business sentiment. Accordingly, various Governments implemented stimulus packages, which spurred economic recovery in the fourth quarter of 2009; the momentum was carried through to the beginning of 2010.

Locally, our economy tracked the global economic climate closely with negative Gross Domestic Product ("GDP") growth for most part of 2009. The rebound only happened in the fourth quarter of 2009 with a 4.6% increase in GDP, boosted by the strengthening external demand, as well as the domestic demand as a result of the implementation of fiscal stimulus measures and accommodative monetary environment.

Financial Performance

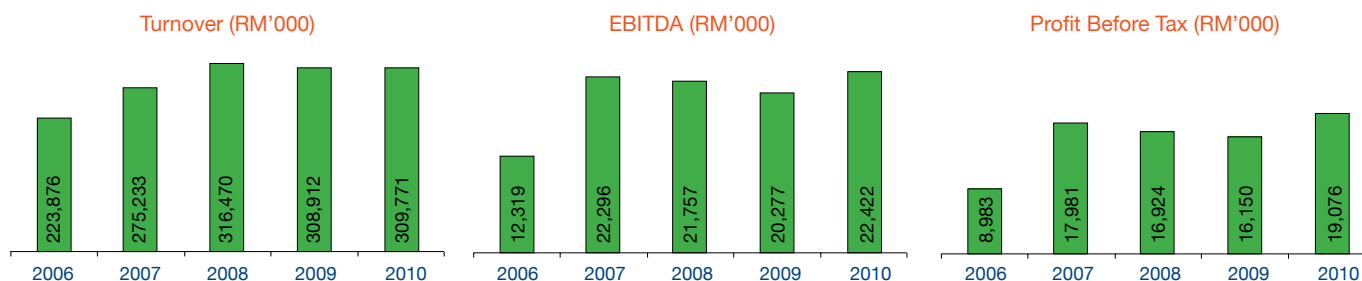
I am pleased to report that, despite the challenging economic environment, Dominant recorded commendable financial performance in the year under review. The Group achieved the best-ever net profit of RM14.3 million, up 21.3%, on the back of sustained revenues of RM309.8 million for the year.

Indeed, the Group's record performance despite the tough economic times is a reflection of our resilient business model of supplying cost-effective laminated and moulded products to our target markets of furniture and home fittings manufacturers.

With the net profits of RM14.3 million, earnings per share ("EPS") for FY2010 stood at 11.32 sen, an increase of 20.6% from last year's 9.39 sen.

Moving on to the Group's balance sheet, shareholders' equity increased to RM122.4 million, from RM103.8 million previously, while total borrowings rose to RM54.9 million from the previous year's RM38.6 million, in line with our increased working capital needs and capital expenditure for our new headquarters. Nonetheless, our net-of-cash gearing remained at a respectable level of 0.33 times as at 31 March 2010, against 0.29 times as at 31 March 2009.

The Group is in a strong financial position and is poised to record better growth in the coming years.



Operations Review

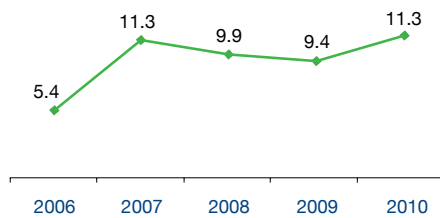
The Group's manufacturing segment contributed RM64.7 million, or 20.9% of FY2010 group revenues, up 9.5% from RM59.1 million previously. Meanwhile, distribution of wood products posted revenues of RM245.0 million in FY2010, versus RM249.9 million previously.

In addition, during the year under review, we moved into our new headquarters in Kempas, Johor, which houses our new corporate office, additional warehouse space and our fifth production line for flat laminated wood products. The construction of this purpose-built headquarters cost approximately RM14.0 million in capital expenditure.

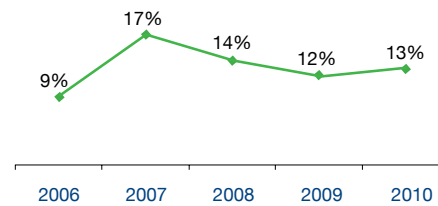
The commissioning of our new line effectively increases the Group's flat laminated wood products by 20%. We believe that the expansion of our production and warehousing capacity would thus enable the Group to manage larger business volumes in line with growing demand.

The Board views the upcoming financial year ending 31 March 2011 ("FY2011") as one filled with opportunities for growth. Global economies are picking up again, and with it, consumer confidence. We are optimistic that Dominant will continue to do well in FY2011.

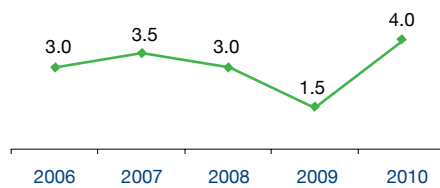
EPS (sen)



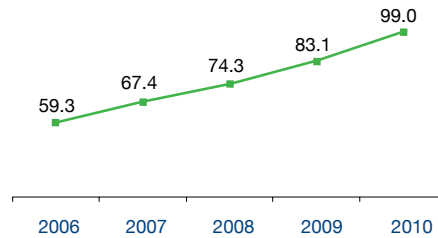
Return on Average Equity



Gross DPS (sen)



Net Tangible Assets Per Share (Sen)



Dividend

In line with the record performance, the Board is pleased to propose a final dividend of 1 sen, less 25% tax, in respect of FY2010. The proposed dividend, subject to the approval of shareholders at the upcoming Annual General Meeting, will be the fourth dividend for the financial year.

Coupled with the total interim dividends of 3 sen per share less 25% tax paid over the first, second and third quarters of FY2010, the total dividends paid in respect of FY2010 would amount to about RM5.0 million, representing a total payout ratio of 35.0% of FY2010 group net profits. The total payout is also a record for the Group.

Corporate Social Responsibility ("CSR")

Dominant is committed to being a socially responsible partner to our employees, shareholders, and other parties within the communities we operate in.

As part of the Group's commitment to become a socially responsible corporate citizen, the Company formed a charity club namely WeCare, which are mainly funded by the Group and its employees. Through WeCare, the Company has taken proactive steps in making contributions to the needy and less fortunate.





On the environmental front, our products are indeed already a form of CSR for our customers and the end consumers. Our operations have always emphasised on best practices to reduce waste and pollution. We source our raw materials from sustainable forests and rubberwood plantations, and promote the usage of water-based, environmental-friendly primers for our products.

Our other CSR initiatives also include the adopting of stringent measures pertaining to occupational health and safety to ensure the wellbeing of our employees. We continue to invest in human resources developments to ensure proper training are given to the employees to further enhance their skills and knowledge. Some sport activities have been carried out to build better social rapport among employees.



Acknowledgement

On the behalf of the Board, I would like to express my sincere gratitude to the management and staff for their enduring commitment to the Group. Also, I would like to thank our shareholders, customers, suppliers, financiers, business associates and Government authorities for their support for the Group.

We look forward to have your continued partnership as we continue growing stronger into the future.

Teo Ah Bah @ Teo Chuang Kwee
Non-Executive Chairman
 27 August 2010



The members of the Audit Committee and details of attendance during the financial year ended 31 March 2010 are as follow:-

NAME	DESIGNATION	NO OF MEETINGS	
		HELD	ATTENDED
Hj Mohd Khalid Bin Idris	Chairman / Independent Non-Executive Director	5	5
Tan Meng Poo	Member / Independent Non-Executive Director	5	5
Johnson Kandasamy A/L David Nagappan (Member of MIA)	Member / Independent Non-Executive Director	5	4

TERMS OF REFERENCE

1. Authority

The Committee is authorised by the Board, in accordance with the procedures to be determined by the Board (if any) and at the cost of the Company, to :

- (a) investigate any activity within the Committee's terms of reference;
- (b) have resources which are reasonably required to enable it to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the Company or the Group;
- (d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
- (e) obtain outside legal or other independent professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and
- (f) convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary at least once a year.

2. Duties

The duties of the Committee shall be to review the following and report the same to the Board:

- (a) any matters concerning the appointment and dismissal of the external auditors and the audit fee;
- (b) the nature and scope of the audit by the external auditors before commencement;
- (c) the external auditors' audit report, areas of concern arising from the audit and any other matters the external auditors may wish to discuss (in the absence of management if necessary);
- (d) any financial information for publication, including quarterly and annual financial statements, before submission to the Board, focusing particularly on:
 - Changes in implementation of major accounting policy changes;
 - Significant and unusual events; and
 - Compliance with accounting standards and legal requirements;
- (e) the external auditors' management letter and the management's response;
- (f) the adequacy of the competency and relevance of the scope, functions and resources of internal audit and the necessary authority to carry out its work;
- (g) the audit plan and work programme of internal audit;
- (h) findings of internal audit work and management's response;
- (i) any evaluations on internal controls by auditors;
- (j) extent of cooperation and assistance given by the employees;
- (k) the propriety of any related party transactions and conflict of interest situations that may arise within the Company or the Group; and
- (l) any other matter as directed by the Board.

3. Overseeing the Internal Audit Function

- (a) The Committee shall oversee all internal audit functions and is authorised to commission investigations to be conducted by internal audit as it deems fit;
- (b) The internal auditor shall report directly to the Committee and shall have direct access to the Chairman of the Committee; and
- (c) All proposals by management regarding the appointment, transfer or dismissal of the internal auditor shall require the prior approval of the Committee.



4. Quorum for Meetings

The quorum shall be formed only if there is a majority of members present at the meeting who are independent directors.

5. Attendance at Meetings

- (a) The Chief Executive Officer, the Chief Financial Officer, the Company Secretary and the Head of Internal Audit shall normally attend meetings but may be asked to leave a meeting as and when deemed necessary by the Committee.
- (b) A representative of the external auditors shall attend the meeting to consider the final audited financial statement and such other meetings determined by the Committee; and
- (c) Non-member directors shall not attend unless specifically invited to by the Committee.

6. Frequency of Meetings

The Chairman of the Committee shall call for meetings, to be held not less than four times a year. The external auditors may request a meeting if they consider one necessary.

7. Reporting Procedure

- (a) The Company Secretary shall be the Secretary of the Committee. She shall record attendance of all members and invitees and take minutes to record the proceedings of every meeting of the Committee. All minutes of meetings shall be circulated to every member of the Board.
- (b) The Committee shall prepare an annual report to the Board that provides a summary of the activities of the Committee for inclusion in the company's annual report;
- (c) The Committee shall assist the Board in preparing the following for publication in the Company's annual report.
 - (i) Statement on the Company's application of the principles set out in Part 1 of the Malaysian Code on Corporate Governance;
 - (ii) Statement on the extent of compliance with the Best Practices in Corporate Governance set out in Part 2 of the Malaysian Code of Corporate Governance, specifying reasons for any areas of non-compliance (if any) and the alternatives adopted in such areas;
 - (iii) Statement on the Board's responsibility for preparing the annual audited financial statements; and
 - (iv) Statement about the state of internal control of the Group; and
 - (v) Statement on Internal Audit function to disclose whether the Internal Audit function is performed in-house or outsourced and the cost incurred for the Internal Audit function in respect of the financial year.
- (d) The Committee may report any breaches of the Listing Requirements, which have not been satisfactorily resolved, to the Bursa Malaysia Securities Berhad.

ACTIVITIES

During the financial year, the Audit Committee had carried out all its duties in accordance with the terms of reference.

INTERNAL AUDIT FUNCTIONS

The internal audit department of the Company had continued to assist the Audit Committee in discharging its duties and responsibility by undertaking regular and systematic reviews of the system of internal controls within the Group, as to ensure the operating procedures and internal controls are complied with and to provide reasonable assurance that such system continues to operate satisfactorily and effectively. Overview of the Group's approach in maintaining a sound system of internal control is stated in the Internal Control Statement on page 18 of this annual report.

EMPLOYEE'S SHARE OPTION SCHEME ("ESOS")

Details of the ESOS are stated on page 21 of this annual report.

The Board is pleased to report to the shareholders the manner in which the Company has applied the principles and complied with the best practices in the Malaysian Code on Corporate Governance throughout the financial year ended 31 March 2010.

THE BOARD AND BOARD BALANCE

The Company continues to be led and managed by an effective Board comprising a balanced mix of Directors with business, industry and professional knowledge and experience. There are eight (8) members, comprising four (4) Non-Executive Directors (including the Chairman) and four (4) Executive Directors. Of the four (4) Non-Executive Directors, three (3) are independent. The Board has overall responsibility for the performance of the Group, in which shall include strategic planning as to approve the Company's strategic objectives and to ensure that the financial and other resources are made available to the management to enable them to meet those objectives.

BOARD MEETINGS

During the financial year ended 31 March 2010, four (4) meetings were held. The attendance record of the members of the Board meetings are as follows :-

EXECUTIVE DIRECTORS	ATTENDANCE	NON-EXECUTIVE DIRECTORS	ATTENDANCE
Cha Aku Wai @ Sia Ah Kow	4/4	Teo Ah Bah @ Teo Chuang Kwee	4/4
Kuah Kwai Yoke @ Kuah Boo Cheng	4/4	Tan Meng Poo	4/4
Chai Soon Too	4/4	Hj Mohd Khalid Bin Idris	4/4
Owee Geok Choon	4/4	Johnson Kandasamy A/L David Nagappan	3/4

BOARD COMMITTEES

The Board has delegated certain of its responsibilities to three (3) committees. These are the Audit, Nomination and Remuneration Committees. All committees have written terms of reference and have the authority to examine particular issue and report to the Board with recommendations.

Audit Committee

The report by the Audit Committee for the financial year ended 31 March 2010 is set out on page 13 of this Annual Report.

Nomination Committee (NC)

Apart from identifying, selecting and recommending the candidates for new appointment, the NC has also carried out an annual assessment and evaluation on the effectiveness of the Board as a whole, the various Committees of the Board and the individual directors, including Independent Non-Executive Directors. All assessment carried out by the NC were documented. The Committee also reviewed the structure, size and composition of the Board and recommended the retiring directors for re-election at the Company's forthcoming Annual General Meeting.

The NC members and the attendance record are as follows :

NOMINATION COMMITTEE	ATTENDANCE
Tan Meng Poo (Chairman)	2/2
Teo Ah Bah @ Teo Chuang Kwee	2/2
Hj Mohd Khalid Bin Idris	2/2
Johnson Kandasamy A/L David Nagappan	2/2

During the year under review, the Board has found that the current mix of skills and experience of its members sufficient for the effective discharge of its duties and responsibilities.

Remuneration Committee (RC)

The Remuneration Committee was formed to assist the Board in determining, developing and recommend an appropriate remuneration policy and remuneration package for Directors.

The RC members and the attendance records are as follows :

REMUNERATION COMMITTEE	ATTENDANCE
Hj Mohd Khalid Bin Idris (Chairman)	2/2
Teo Ah Bah @ Teo Chuang Kwee	2/2
Johnson Kandasamy A/L David Nagappan	1/2
Tan Meng Poo	2/2

SUPPLY OF INFORMATION

The Board members have full and timely access to all relevant information, records and the unrestricted access to the advice and services of the company secretary and auditors. Notice of meetings, agenda and accompanied by detailed reports will be circulated to all Board members for their perusal in advance of the Board meeting date. All issues discussed during the Board meetings are recorded by the company secretary and all minutes of meetings are kept in the minutes book at the registered office. Where necessary, the Directors may seek independent professional advice at the Group's expense in order to discharge their duties and responsibilities effectively.

APPOINTMENT AND RE-ELECTION

All new nominations for appointment to the Board are assessed by the Nomination Committee. In accordance with the Company's Article of Associations, at least one-third (1/3) of the Directors shall retire from office every three (3) years, but shall be eligible for re-election.

DIRECTORS' TRAINING

The directors are aware of the importance of continuous training to update themselves and to further enhance their skills, knowledge and better equip themselves to effectively discharge their duties. The courses attended during the financial year under review are as below :

- National Tax Conference, 2010 Budget Seminar
- Tax Planning Seminar
- GST workshop
- Development of Islamic Banking in Malaysia
- Documentary Credit Workshop for Exporter
- Global Market Updates
- Standard Operating Procedure Workshop
- Motivation Seminar

DIRECTORS' REMUNERATION

The remuneration of Directors will be reviewed and recommended to the Board by Remuneration Committee annually. The aggregate remuneration categorised into the appropriate components for the financial year ended 31 March 2010 is summarized as below:-

	EXECUTIVE DIRECTORS	NON-EXECUTIVE DIRECTORS	TOTAL
	RM	RM	RM
Fees	-	172,000	172,000
Salary & Other emolument	2,636,082	-	2,636,082
Meeting Allowance	8,000	9,000	17,000
	2,644,082	181,000	2,825,082

The number of Directors whose total remuneration fell within the following bands for current financial year are analysed below :-

RANGE OF REMUNERATION	NUMBER OF DIRECTOR	
	EXECUTIVE DIRECTORS	NON-EXECUTIVE DIRECTORS
Below RM 50,000	-	3
RM 100,001 ~ RM 150,000	-	1
RM 550,001 ~ RM 600,000	1	-
RM 600,001 ~ RM 650,000	2	-
RM 850,001 ~ RM 900,000	1	-
	4	4

SHAREHOLDERS AND INVESTORS RELATIONS

The Board continues to acknowledge the need for shareholders and investors to be provided timely disclosure of all material business matters affecting the Company. Therefore, information is released to all shareholders through quarterly results, annual report and public announcements on timely basis. In addition, shareholders are encouraged to participate at AGM where members of the Board, Senior Management and the external auditors are available to respond to shareholders' questions.

ACCOUNTABILITY AND AUDIT

(i) Financial Reporting

It's the Board's responsibility to present a balanced and meaningful assessment of the Company's position and prospect through the annual financial statements with the assistance of the external auditors. The Board is also responsible for ensuring the proper maintenance of accounting records of the Group.

(ii) Internal Control

The internal audit function is performed in-house and the costs incurred for the internal audit function in respect of the financial year ended 31 March 2010 is approximately RM 90,000. The Statement on Internal Control as detailed under page 18 of this annual report provides an overview of the state of internal controls within the Group.

(iii) Relationship with Auditors

The Board, via the Audit Committee, has always maintains an appropriate and transparent relationship with the external auditors and always seeks professional advices from them. The Group's external auditors act an essential role for the shareholders by enhancing the reliability of the Group's financial statements and giving assurance of the reliability to users of these financial statements.

(iv) Directors' Responsibility Statement

The Board is responsible to present a true and fair view of the state of affairs of the Group as at the end of each financial year. They also have responsibilities for taking reasonable steps to safeguard the assets of the Group, and to prevent fraud, irregularities, material misstatements and losses. It is the Board's duty to ensure all accounting records are properly kept.

The Board has undertaken various steps to ensure timely, accurate and up-to-date financial information are announced to Bursa Malaysia Securities Berhad. In preparing the financial statements, the Board has ensured that the Group has consistently and prudently applied appropriate accounting policies and applicable approved Accounting Standards. The Board has also ensured the financial statements complied with the Companies Act 1965 and Bursa Malaysia Securities Berhad Main Listing Requirement.

OTHER INFORMATION

(i) Material Contract

There were no material contracts involving directors or major shareholders other than those entered in the ordinary course of business by the Company disclosed in the financial statements.

(ii) Options, Warrant or Convertible Securities

During the financial year under review, a total of 158,000 new ordinary shares were issued and allotted pursuant to the exercise of the Employees' Shares Option Scheme ("ESOS"), of which, 64,000 shares are allotted at an option price of RM 0.50, and 94,000 shares are allotted at an option price of RM 0.51 per share.

(iii) Share Buy-backs

During the financial year, the Company did not enter into any share buy-backs transactions.

As at 31 March 2010, a total of 1,442,700 shares bought back under the previous mandate are being held as treasury shares and the company has not resold and/or cancelled any of the treasury shares during the financial years.

This statement has been prepared in accordance with the Statement on Internal Control Guidance adopted by Bursa Malaysia Securities Berhad. The Board continues with its commitment to maintain a sound system of internal control throughout the Group. In view of the inherent limitation in the system, it is designed to manage rather than eliminate the risk of failure to achieve business objectives. In pursuing these objectives, internal controls can only provide reasonable but not absolute assurance against material misstatement or loss.

Key Elements and Processes

1. The Board of Directors is committed to maintaining a strong control structure for the proper conduct of its business operations. Regular Board meetings are held where important matters are discussed to ensure the Board maintains full and effective supervision over key issues. The Board is also assisted by the various committees with clearly defined responsibilities.
2. The Board is assisted by the Executive Directors in respect of corporate planning and business strategy. The Executive Directors participate actively in the day-to-day operations of each subsidiary company and are assisted by the Senior Management. Significant corporate matters and its status are further brought to the Board and Audit Committee for further deliberation and reviews.
3. The Executives Directors and Senior Management meet on a quarterly basis. Management accounts are presented to the Executive Directors as and when required to facilitate the review of financial and operational performance of the business divisions.
4. The Audit Committee has full access to both the internal and external auditors. An Audit Plan will be presented by the external auditors and will be reviewed and approved by the Audit Committee. In addition, quarterly financial reports and audited financial statements are also presented to the Audit Committee for assessment.
5. An organisation structure chart has been drawn with clearly defined the level of responsibility, proper segregation of duties and delegation of authority. The Management is committed to employ suitably qualified staff to ensure operation efficiency.
6. Standard Operating Procedures Manual (“SOPM”) which clearly defined procedures on each task delegated is maintained. All departmental heads have been instructed to give full guidance to their subordinates and all employees are well trained on their job. This manual is revised as and when required to meet operational needs.
7. A SOP workshop has been conducted during the financial year. Its aim is to enhance the effectiveness and efficiency of the business process by highlighting the changes that has been made in SOPM to the attendees.
8. During the financial year, separate SOPMs for overseas subsidiaries and local manufacturing subsidiary are established. This is to enhance the monitoring of operations and progress for subsidiaries with different country laws and nature of environment.
9. The internal auditor conducts regular reviews on the effectiveness of the internal control system by visiting each operation center throughout Malaysia and Vietnam. A report will be presented to the Managing Director to highlight the audit findings (if any) for the Management attention. It’s also the internal auditor’s responsibility to ensure that SOPM are strictly abided by all employees.

Conclusion

The Board is of the view that the internal control system was operating satisfactorily and has not resulted in any significant breakdown or weaknesses that would cause any material loss to the Group for the financial year ended 31 March 2010.

DOMINANT ENTERPRISE BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

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DOMINANT ENTERPRISE BERHAD (Incorporated in Malaysia)

DIRECTORS' REPORT

The directors of **DOMINANT ENTERPRISE BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended March 31, 2010.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding and providing management services.

The principal activities of the subsidiary companies are disclosed in Note 15 to the Financial Statements. One of the subsidiary companies, Damai Estate Sdn. Bhd., commenced operations during the financial year in property management.

Other than as stated above, there have been no significant changes in the nature of the principal activities of the Company and its subsidiary companies during the financial year.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM	The Company RM
Profit before tax	19,075,936	5,793,723
Income tax expense	(4,789,008)	(1,119,277)
Profit for the year	14,286,928	4,674,446
Profit attributable to:		
Equity holders of the Company	14,042,478	4,674,446
Minority interests	244,450	-
	14,286,928	4,674,446

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

A first and final dividend of 1.5 sen per ordinary share, tax exempt, amounting to RM1,838,412, proposed in the previous financial year and dealt with in the previous directors' report was paid by the Company during the financial year.

Since the end of the previous financial year, three interim dividends of 1.0 sen per ordinary share each, less 25 % tax, amounting in total to RM2,758,803 was paid in respect of the current financial year.

The directors have proposed a final dividend of 1.0 sen per ordinary share, less 25 % tax, amounting to RM 920,391 in respect of the current financial year. The proposed final dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The issued and paid-up ordinary share capital of the Company was increased from RM62,001,740 to RM62,080,740 during the financial year by way of allotment of 64,000 and 94,000 new ordinary shares of RM0.50 each at the exercise prices of RM0.50 and RM0.51 each for cash respectively pursuant to the Employees' Share Option Scheme.

The resulting premium arising from the shares issued of RM940, has been credited to the share premium account.



The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company and were listed and quoted on Bursa Malaysia Securities Berhad with effect from February 4, 2010.

The Company has not issued any debentures during the financial year.

SHARE BUYBACK

The authority for the Company to purchase its own shares of up to 10% of the issued and paid-up share capital of the Company expired on September 15, 2008 and was not renewed. As of that date, the Company has repurchased a total of 1,442,700 of its own ordinary shares of RM0.50 each from the open market at an average price of RM0.63. The total consideration paid for the repurchase, including transaction costs, was RM913,913 and was financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

As of March 31, 2010, the number of outstanding ordinary shares in issue after the offset is therefore 122,718,780 ordinary shares of RM0.50 each.

SHARE OPTIONS

The Company's Employees' Share Option Scheme ("ESOS") was approved by the shareholders at an Extraordinary General Meeting held on July 26, 2004 and the approval from Bursa Malaysia Securities Berhad ("Bursa Securities") was obtained on May 25, 2004.

On February 27, 2008, the ESOS Committee made additional offers of 5,473,200 share options to the qualified employees in the Group and the Company in accordance with the terms stated in the ESOS By-laws, at an exercise price of RM 0.51 per ordinary share. All terms and conditions of the offer remained unchanged. The compensation expense relating to these additional share options has not been recognised in income statements over the vesting periods of the grants with a corresponding increase in equity as the effect on the financial statements is not material.

The salient features of the ESOS are as follows:

- any employee employed full time by the Group shall be eligible in the ESOS if he or she has been confirmed and must have served the Group on a continuous basis for a period of not less than a year on the Date of Offer;
- the number of new ordinary shares to be offered under the ESOS shall be subject to a maximum of 15% of the issued and paid-up share capital of the Company at any time during the existence of the ESOS; and the maximum entitlement of any eligible employee is 750,000 new ordinary shares under the ESOS and the actual entitlement will be determined by the Committee as appointed by the Board to administer the ESOS based on parameters as set out in the By-Laws approved by Bursa Securities;
- the ESOS shall be in force for a maximum period of five (5) years from the Date of Offer. As approved by the ESOS Committee at a meeting held on July 24, 2009, the exercised period for the ESOS granted in 2004 has been extended for another five years. The revised expiry date will fall on August 2, 2014;
- the price payable upon the exercise of the options under the ESOS shall be the average of the mean market quotation (calculated as the weighted average market prices as traded on Bursa Securities for the day) of the ordinary shares as quoted and shown in the Daily Official List issued by Bursa Securities for the five (5) market days with a discount of not more than ten per centum (10%) or the par value of the Shares, whichever is the higher amount; and
- the shares under the aforesaid Options may be exercised in full or in respect of 1,000 shares or a multiple thereof on the payment of the requisite subscription price within the respective exercisable periods of the aforesaid Options.

The new ordinary shares to be allotted upon the exercise of the Options shall rank pari passu in all respects with the existing issued and paid-up ordinary shares of the Company except that they shall not be entitled to any dividend or distribution which may be declared, made or paid prior to the date of exercise of the Options.

The share options granted and exercised during the financial year are as follows:

No. of options over ordinary shares of RM0.50 each

DATE OF OFFER	EXERCISE PRICE PER ORDINARY SHARE RM	BALANCE AS OF 1.4.2009	GRANTED	CANCELLED /LAPSED	EXERCISED	BALANCE AS OF 31.3.2010
August 2, 2004	0.50	14,120,520	-	(3,739,000)	(64,000)	10,317,520
March 3, 2008	0.51	5,473,200	-	(362,400)	(94,000)	5,016,800
		19,593,720	-	(4,101,400)	(158,000)	15,334,320

OTHER STATUTORY INFORMATION

Before the income statements and the balance sheets of the Group and of the Company were made out, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

As of the date of this report, the directors are not aware of any circumstances:

- (a) which would render the amount written off as bad debts or the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

As of the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year and secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The following directors served on the Board of the Company since the date of the last report:

Mr. Cha Aku Wai @ Sia Ah Kow
 Mr. Teo Ah Bah @ Teo Chuang Kwee
 Mr. Kuah Boo Cheng @ Kuah Kwai Yoke
 Mr. Chai Soon Too
 Mr. Owee Geok Choon
 Mr. Tan Meng Poo
 Tuan Haji Mohd Khalid Bin Idris
 Mr. Johnson Kandasamy A/L David Nagappan

In accordance with Article 84 of the Company's Articles of Association, Mr. Cha Aku Wai @ Sia Ah Kow, Tuan Haji Mohd Khalid Bin Idris and Mr. Tan Meng Poo retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

The shareholdings in the Company and in related companies of those who were directors as of the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:



No. of ordinary shares of RM0.50 each

	BALANCE AS OF 1.4.2009	BOUGHT	SOLD	BALANCE AS OF 31.3.2010
Shares in the Company				
Registered in the name of directors				
Mr. Cha Aku Wai @ Sia Ah Kow	1,147,584	-	-	1,147,584
Mr. Teo Ah Bah @ Teo Chuang Kwee	841,865	-	-	841,865
Mr. Kuah Boo Cheng @ Kuah Kwai Yoke	181,976	-	-	181,976
Mr. Chai Soon Too	162,489	-	-	162,489
Mr. Owee Geok Choon	28,253	-	-	28,253
Mr. Tan Meng Poo	29,400	-	-	29,400
Indirect interest				
Mr. Cha Aku Wai @ Sia Ah Kow	62,371,618	-	-	62,371,618
Mr. Teo Ah Bah @ Teo Chuang Kwee	995,926	-	-	995,926
Mr. Owee Geok Choon	42,000	-	-	42,000

No. of ordinary shares of RM1.00 each

	BALANCE AS OF 1.4.2009	BOUGHT	SOLD	BALANCE AS OF 31.3.2010
Shares in the holding company, NS Pacific Sdn. Bhd.				
Registered in the name of directors				
Mr. Cha Aku Wai @ Sia Ah Kow	8,000	-	-	8,000
Mr. Teo Ah Bah @ Teo Chuang Kwee	6,253	-	-	6,253
Mr. Kuah Boo Cheng @ Kuah Kwai Yoke	1,932	-	-	1,932
Mr. Chai Soon Too	1,725	-	-	1,725
Mr. Owee Geok Choon	300	-	-	300
Indirect interest				
Mr. Cha Aku Wai @ Sia Ah Kow	5,403	-	-	5,403

In addition to the above, the following directors are deemed to have beneficial interests in the shares of the Company to the extent as follows:

No. of options over ordinary shares of RM0.50 each

	BALANCE AS OF 1.4.2009	GRANTED	EXERCISED	BALANCE AS OF 31.3.2010
Registered in the name of directors				
Mr. Cha Aku Wai @ Sia Ah Kow	700,000	-	-	700,000
Mr. Teo Ah Bah @ Teo Chuang Kwee	700,000	-	-	700,000
Mr. Kuah Boo Cheng @ Kuah Kwai Yoke	700,000	-	-	700,000
Mr. Chai Soon Too	700,000	-	-	700,000
Mr. Owee Geok Choon	700,000	-	-	700,000



By virtue of Mr. Cha Aku Wai @ Sia Ah Kow's interest in the shares of the Company and the holding company, he is also deemed to have an interest in the shares of all the subsidiary companies to the extent that the Company and the holding company have interests.

The other directors in office as of the end of the financial year do not hold shares or have beneficial interest in the shares of the Company or its related companies during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by directors as disclosed in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

During and as of the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate other than the options granted to eligible directors of the Company pursuant to the ESOS.

HOLDING COMPANY

The Company is a subsidiary company of NS Pacific Sdn. Bhd., a company incorporated in Malaysia, which is also regarded by the directors as the Company's ultimate holding company.

AUDITORS

The auditors, Messrs. Deloitte KassimChan, have indicated their willingness to continue in office.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

**CHA AKU WAI @
SIA AH KOW**

**TEO AH BAH @
TEO CHUANG KWEE**

Johor Bahru
July 21, 2010



Report on the Financial Statements

We have audited the financial statements of Dominant Enterprise Berhad, which comprise the balance sheets of the Group and of the Company as of March 31, 2010 and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 26 to 68.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility towards any other person for the content of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of March 31, 2010 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that:

- a) in our opinion, the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and by the subsidiary companies of which we have acted as auditors, have been properly kept in accordance with the provisions of the Companies Act, 1965;
- b) we have considered the accounts and auditors' reports of the subsidiary companies, of which we have not acted as auditors, as mentioned in Note 15 to the Financial Statements, being accounts that have been included in the financial statements of the Group;
- c) we are satisfied that the accounts of the subsidiary companies that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group, and we have received satisfactory information and explanations as required by us for these purposes; and
- d) the auditors' reports on the accounts of the subsidiary companies were not subject to any qualification and did not include any comment made under sub-section (3) of Section 174 of the Companies Act, 1965.

DOMINANT ENTERPRISE BERHAD
 (Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES
INCOME STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2010

	NOTE	The Group		The Company	
		2010 RM	2009 RM	2010 RM	2009 RM
Revenue	5	309,771,099	308,912,310	6,379,711	3,975,420
Investment revenue	7	182,111	206,817	124,730	134,652
Other operating income		733,178	1,318,657	-	127,370
Changes in inventories of work-in-progress and finished goods		243,214	(326,990)	-	-
Raw materials and consumables used		(47,881,064)	(47,140,982)	-	-
Cost of trading goods sold		(216,609,176)	(220,760,287)	-	-
Employee benefits expense		(10,940,977)	(10,079,923)	(174,411)	(102,550)
Directors' remuneration	8	(3,325,924)	(3,632,061)	(189,000)	(190,000)
Depreciation of property, plant and equipment		(1,988,498)	(1,813,785)	(86)	(7,038)
Amortisation of prepaid land lease payments		(129,268)	(131,964)	-	-
Impairment loss on property, plant and equipment		-	(360,274)	-	-
Allowance for diminution in value of investment in subsidiary companies		-	-	-	(501,782)
Finance costs	9	(1,410,051)	(2,388,816)	-	-
Other operating expenses		(9,568,708)	(7,653,197)	(347,221)	(251,581)
Profit before tax	10	19,075,936	16,149,505	5,793,723	3,184,491
Income tax expense	11	(4,789,008)	(4,371,021)	(1,119,277)	(644,012)
Profit for the year		14,286,928	11,778,484	4,674,446	2,540,479
Profit attributable to:					
Equity holders of the Company		14,042,478	11,638,699	4,674,446	2,540,479
Minority interests		244,450	139,785	-	-
		14,286,928	11,778,484	4,674,446	2,540,479
Earnings per ordinary share					
Basic (sen)	12	11.32	9.39		
Diluted (sen)	12	N/A	N/A		



DOMINANT ENTERPRISE BERHAD
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BALANCE SHEETS
AS OF MARCH 31, 2010

	NOTE	The Group		The Company	
		2010 RM	2009 RM	2010 RM	2009 RM
ASSETS					
Non-current Assets					
Property, plant and equipment	13	57,065,292	45,054,860	3,362	1
Prepaid land lease payments	14	5,763,478	5,969,906	-	-
Investment in subsidiary companies	15	-	-	10,784,521	10,784,521
Goodwill on consolidation	16	836,556	836,556	-	-
Total Non-current Assets		63,665,326	51,861,322	10,787,883	10,784,522
Current Assets					
Inventories	17	63,359,122	45,667,319	-	-
Trade receivables	18	63,647,504	53,565,742	-	-
Other receivables and prepaid expenses	18	861,007	1,407,755	1,000	3,680
Amount owing by subsidiary companies	19	-	-	6,616,153	7,110,444
Tax recoverable		28,974	-	-	-
Cash and bank balances	20	15,761,658	9,227,950	5,933,379	4,338,503
Total Current Assets		143,658,265	109,868,766	12,550,532	11,452,627
TOTAL ASSETS		207,323,591	161,730,088	23,338,415	22,237,149

	NOTE	The Group		The Company	
		2010 RM	2009 RM	2010 RM	2009 RM
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	21	62,080,740	62,001,740	62,080,740	62,001,740
Treasury shares	21	(913,913)	(913,913)	(913,913)	(913,913)
Reserves (Accumulated losses)	22	61,237,054	42,755,650	(44,507,447)	(44,585,618)
Equity attributable to equity holders of the Company		122,403,881	103,843,477	16,659,380	16,502,209
Minority interests		1,405,471	1,161,021	-	-
Total Equity		123,809,352	105,004,498	16,659,380	16,502,209
Non-current Liabilities					
Hire-purchase payables	23	197,635	46,105	-	-
Finance lease payables	24	4,883	37,475	-	-
Bank borrowings	25	6,508,535	3,710,046	-	-
Deferred tax liabilities	26	2,267,215	2,194,739	-	-
Total Non-current Liabilities		8,978,268	5,988,365	-	-
Current Liabilities					
Trade payables	27	19,377,622	11,623,417	-	-
Other payables and accrued expenses	27	5,336,925	2,676,923	202,588	213,869
Amount owing to subsidiary companies	19	-	-	6,429,926	5,482,171
Hire-purchase payables	23	185,398	109,198	-	-
Finance lease payables	24	29,292	32,123	-	-
Bank borrowings	25	47,958,090	34,694,946	-	-
Tax liabilities		1,648,644	1,600,618	46,521	38,900
Total Current Liabilities		74,535,971	50,737,225	6,679,035	5,734,940
Total Liabilities		83,514,239	56,725,590	6,679,035	5,734,940
TOTAL EQUITY AND LIABILITIES		207,323,591	161,730,088	23,338,415	22,237,149



DOMINANT ENTERPRISE BERHAD
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STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2010

THE GROUP	NOTE	← ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY →							Total	Minority Interests	Total Equity
		Share Capital	Treasury Shares	NON-DISTRIBUTABLE RESERVES			DISTRIB-UTABLE RESERVE				
		RM	RM	Share Premium	Revaluation Reserve	Currency Translation Reserve	Retained Earnings	RM	RM	RM	
		RM	RM	RM	RM	RM	RM	RM	RM	RM	
Balance as of April 1, 2008		62,001,740	(913,913)	195,316	4,572,651	943,990	26,198,191	92,997,975	1,021,236	94,019,211	
Revaluation surplus - net of deferred tax liability	22	-	-	-	1,263,031	-	-	1,263,031	-	1,263,031	
Currencies translation differences		-	-	-	-	(217,816)	-	(217,816)	-	(217,816)	
Income recognised directly in equity		-	-	-	1,263,031	(217,816)	-	1,045,215	-	1,045,215	
Profit for the year		-	-	-	-	-	11,638,699	11,638,699	139,785	11,778,484	
Total recognised income and expense		-	-	-	1,263,031	(217,816)	11,638,699	12,683,914	139,785	12,823,699	
Dividends	28	-	-	-	-	-	(1,838,412)	(1,838,412)	-	(1,838,412)	
Balance as of March 31, 2009		62,001,740	(913,913)	195,316	5,835,682	726,174	35,998,478	103,843,477	1,161,021	105,004,498	

	NOTE	← ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY →						DISTRIBUTABLE RESERVE	Total RM	Minority Interests RM	Total Equity RM
		Share Capital RM	Treasury Shares RM	Share Premium RM	Revaluation Reserve RM	Currency Translation Reserve RM	NON-DISTRIBUTABLE RESERVES				
Balance as of April 1, 2009		62,001,740	(913,913)	195,316	5,835,682	726,174	35,998,478	103,843,477	1,161,021	105,004,498	
Revaluation surplus - net of deferred tax liability	22	-	-	-	8,656,719	-	-	8,656,719	-	8,656,719	
Currencies translation differences		-	-	-	-	378,482	-	378,482	-	378,482	
Income recognised directly in equity		-	-	-	8,656,719	378,482	-	9,035,201	-	9,035,201	
Profit for the year		-	-	-	-	-	14,042,478	14,042,478	244,450	14,286,928	
Total recognised income and expense		-	-	-	8,656,719	378,482	14,042,478	23,077,679	244,450	23,322,129	
Issues of 64,000 new ordinary shares of RM0.50 each pursuant to the ESOS at an exercise price of RM0.50 per share		32,000	-	-	-	-	-	32,000	-	32,000	
Issues of 94,000 new ordinary shares of RM0.50 each pursuant to the ESOS at an exercise price of RM0.51 per share		47,000	-	940	-	-	-	47,940	-	47,940	
Dividends	28	-	-	-	-	-	(4,597,215)	(4,597,215)	-	(4,597,215)	
Balance as of March 31, 2010		62,080,740	(913,913)	196,256	14,492,401	1,104,656	45,443,741	122,403,881	1,405,471	123,809,352	

THE COMPANY	NOTE	NON-DISTRIBUTABLE RESERVES					Total Equity RM
		Share Capital RM	Treasury Shares RM	Share Premium RM	Accumulated Losses RM		
Balance as of April 1, 2008		62,001,740	(913,913)	195,316	(45,483,001)	15,800,142	
Total recognised income and expense - Profit for the year		-	-	-	2,540,479	2,540,479	
Dividends	28	-	-	-	(1,838,412)	(1,838,412)	
Balance as of April 1, 2009		62,001,740	(913,913)	195,316	(44,780,934)	16,502,209	
Total recognised income and expense - Profit for the year		-	-	-	4,674,446	4,674,446	
Issues of 64,000 new ordinary shares of RM0.50 each pursuant to the ESOS at an exercise price of RM0.50 per share		32,000	-	-	-	32,000	
Issues of 94,000 new ordinary shares of RM0.50 each pursuant to the ESOS at an exercise price of RM0.51 per share		47,000	-	940	-	47,940	
Dividends	28	-	-	-	(4,597,215)	(4,597,215)	
Balance as of March 31, 2010		62,080,740	(913,913)	196,256	(44,703,703)	16,659,380	



DOMINANT ENTERPRISE BERHAD
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CASH FLOW STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2010

	NOTE	The Group		The Company	
		2010 RM	2009 RM	2010 RM	2009 RM
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES					
Profit for the year		14,286,928	11,778,484	4,674,446	2,540,479
Adjustments for:					
Income tax expense recognised in profit or loss		4,789,008	4,371,021	1,119,277	644,012
Finance costs		1,410,051	2,388,816	-	-
Depreciation of property, plant and equipment		1,988,498	1,813,785	86	7,038
Impairment loss on property, plant and equipment		-	360,274	-	-
Bad debts written off		65,084	255,624	-	-
Allowance for:					
Doubtful debts		535,948	236,491	-	-
Slow moving inventories		100,000	-	-	-
Diminution in value of investment in subsidiary companies		-	-	-	501,782
Amortisation of prepaid land lease payments		129,268	131,964	-	-
Unrealised loss on foreign exchange		383,512	57,568	144,291	(127,370)
Loss (Gain) on disposal of property, plant and equipment		(39,711)	24,005	-	-
Property, plant and equipment written off		11,239	6,830	-	-
Inventories written off		128,693	-	-	-
Dividend income		-	-	(5,494,160)	(3,158,500)
Allowance for doubtful debts no longer required		(12,585)	-	-	-
Interest income		(182,111)	(206,817)	(124,730)	(134,652)
		23,593,822	21,218,045	319,210	272,789
Movements In Working Capital					
Decrease (Increase) in:					
Inventories		(16,929,019)	7,741,750	-	-
Trade receivables		(10,434,845)	13,739,983	-	-
Other receivables and prepaid expenses		137,614	1,008,067	2,680	(2,680)
Increase (Decrease) in:					
Trade payables		7,620,884	(4,450,035)	-	-
Other payables and accrued expenses		1,870,552	(1,147,852)	(11,281)	29,276
Cash From Operations		5,859,008	38,109,958	310,609	299,385
Income tax refunded		433,307	422,134	-	-
Interest paid		(253,775)	(288,506)	-	-
Income tax paid		(4,830,115)	(4,891,636)	(166,656)	(143,030)
Net Cash From (Used In) Operating Activities		1,208,425	33,351,950	143,953	156,355

	NOTE	The Group		The Company	
		2010 RM	2009 RM	2010 RM	2009 RM
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES					
Interest received		182,111	206,817	124,730	134,652
Proceeds from disposal of property, plant and equipment		64,000	272,209	-	-
Purchase of property, plant and equipment	29(a)	(4,935,960)	(7,822,312)	(3,447)	-
Dividends received		-	-	4,549,160	2,658,500
Decrease (Increase) in amount owing by subsidiary companies		-	-	350,000	(2,037,625)
Addition to prepaid land lease payments		(208,305)	-	-	-
Net Cash From (Used In) Investing Activities		(4,898,154)	(7,343,286)	5,020,443	755,527
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES					
Net proceeds from (repayment of) short-term borrowings		14,677,275	(26,826,198)	-	-
Proceeds from term loans		3,070,976	4,845,118	-	-
Repayments of finance lease payables		(34,940)	(34,420)	-	-
Repayments of hire-purchase payables		(192,270)	(299,271)	-	-
Repayments of term loans		(1,203,118)	(751,030)	-	-
Dividends paid		(4,597,215)	(1,838,412)	(4,597,215)	(1,838,412)
Interest paid on bankers' acceptances, term loan and hire-purchase		(1,156,276)	(2,100,310)	-	-
Issue of shares		79,940	-	79,940	-
Increase in amount owing to subsidiary companies		-	-	947,755	2,542,248
Net Cash From (Used In) Financing Activities		10,644,372	(27,004,523)	(3,569,520)	703,836
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
		6,954,643	(995,859)	1,594,876	1,615,718
Effect of foreign exchange rate changes		33,074	(6,387)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR					
		6,893,050	7,895,296	4,338,503	2,722,785
CASH AND CASH EQUIVALENTS AT END OF YEAR					
	29(b)	13,880,767	6,893,050	5,933,379	4,338,503

DOMINANT ENTERPRISE BERHAD
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NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The Company is principally involved in investment holding and providing management services.

The principal activities of the subsidiary companies are disclosed in Note 15. One of the subsidiary companies, Damai Estate Sdn. Bhd., commenced operations during the financial year in property management.

Other than as stated above, there have been no significant changes in the nature of the principal activities of the Company and its subsidiary companies during the financial year.

The registered office of the Company is located at Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor, Malaysia.

The principal place of business of the Company is located at PTD 151383, Jalan Kempas Lama, Kawasan Perindustrian Kg. Maju Jaya, Mukim Tebrau, 81300 Skudai, Johor Bahru, Johor, Malaysia.

The financial statements of the Group and of the Company were authorised by the Board of Directors for issuance in accordance with a resolution of the directors on July 21, 2010.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and the Financial Reporting Standards in Malaysia.

Standards and Interpretations in issue but not yet effective

At the date of authorisation for issue of these financial statements, the FRSs, Issues Committee Interpretations ("IC Int."), and amendments to FRSs and IC Int. which were in issue but not yet effective are as listed below:

- FRS 1 First-time Adoption of Financial Reporting Standards (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)²
- FRS 1 First-time Adoption of Financial Reporting Standards (Revised in 2010)³
- FRS 1 First-time Adoption of Financial Reporting Standards (Amendments relating to limited exemption from Comparative FRS Disclosures for First-time Adopters)⁴
- FRS 2 Share-based Payment (Amendments relating to vesting conditions and cancellations)²
- FRS 2 Share-based Payment (Amendments relating to scope of FRS 2 and revised FRS 3)³
- FRS 3 Business Combinations (Revised in 2010)³
- FRS 4* Insurance Contracts²
- FRS 5* Non-current Assets Held for Sale and Discontinued Operations (Amendments relating to plan to sell the controlling interest in a subsidiary)³
- FRS 7 Financial Instruments: Disclosures²
- FRS 7 Financial Instruments: Disclosures (Amendments relating to reclassification of financial assets and reclassification of financial assets - effective date and transition)²
- FRS 7 Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments)⁴
- FRS 8 Operating Segments¹
- FRS 101 Presentation of Financial Statements (Revised in 2009)²
- FRS 123 Borrowing Costs (Revised)²
- FRS 127 Consolidated and Separate Financial Statements (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)²
- FRS 127 Consolidated and Separate Financial Statements (Revised in 2010)³



FRS 132* Financial Instruments: Presentation (Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation)²

FRS 132* Financial Instruments: Presentation (Amendments relating to classification of rights issue)⁵

FRS 138* Intangible Assets (Amendments relating to additional consequential amendments arising from revised FRS 3)³

FRS 139 Financial Instruments: Recognition and Measurement²

FRS 139 Financial Instruments: Recognition and Measurement (Amendments relating to eligible hedged items, reclassification of financial assets, reclassification of financial assets - effective date and transition, embedded derivatives and revised FRS 3 and revised FRS 127)²

Improvements to FRSs (2009)²

IC Int. 9* Reassessment of Embedded Derivatives²

IC Int. 9* Reassessment of Embedded Derivatives (Amendments relating to embedded derivatives)²

IC Int. 9* Reassessment of Embedded Derivatives (Amendments relating to scope of IC Interpretation 9 and revised FRS 3)³

IC Int. 10 Interim Financial Reporting and Impairment²

IC Int. 11* FRS 2 - Group and Treasury Share Transactions²

IC Int. 12* Service Concession Arrangements³

IC Int. 13* Customer Loyalty Programmes²

IC Int. 14* FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction²

IC Int. 15* Agreements for the Construction of Real Estate³

IC Int. 16* Hedges of a Net Investment in a Foreign Operation³

IC Int. 17* Distributions of Non-cash Assets to Owners³

¹ Effective for annual periods beginning on or after July 1, 2009

² Effective for annual periods beginning on or after January 1, 2010

³ Effective for annual periods beginning on or after July 1, 2010

⁴ Effective for annual periods beginning on or after January 1, 2011

⁵ Effective for annual periods beginning on or after March 1, 2010

* These Standards and Interpretations are not expected to be relevant to the operations of the Group and of the Company.

Consequential amendments were also made to various FRS as a result of these new/revised FRSs.

The directors anticipate that the abovementioned Standards and Interpretations will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these Standards and Interpretations will have not material impact on the financial statements of the Group and of the Company in the period of initial application except for the following:

FRS 3 - Business Combinations (Revised in 2010)

The revised FRS 3:

- (i) allows a choice on a transaction-by-transaction basis for the measurement of noncontrolling interests (previously referred to as 'minority interests') either at fair value or at the non-controlling interests' share of the fair value of the identifiable net assets of the acquiree;
- (ii) changes the recognition and subsequent accounting requirements for contingent consideration. Under the previous version of the Standard, contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably; any subsequent adjustments to the contingent consideration were recognised against goodwill. Under the revised Standard, contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss;
- (iii) requires the recognition of a settlement gain or loss where the business combination in effect settles a pre-existing relationship between the Group and the acquiree; and
- (iv) requires acquisition-related costs to be accounted for separately from the business combination, generally leading to those costs being recognised as an expense in profit or loss as incurred, whereas previously they were accounted for as part of the cost of the business combination.

Upon adoption, this Standard will be applied prospectively and therefore, no restatements will be required in respect of transactions prior to the date of adoption.



FRS 7 - Financial Instruments: Disclosures

FRS 7 and the consequential amendments to FRS 101 Presentation of Financial Statements require disclosure of information about the significance of financial instruments for the Group's and the Company's financial position and performance, the nature and extent of risks arising from financial instruments, and the objectives, policies and processes for managing capital.

FRS 7 - Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments)

The amendments to FRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk.

FRS 8 - Operating Segments

FRS 8, which replaces FRS 114²⁰⁰⁴ Segment Reporting, requires the identification of operating segments based on internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segments and to assess their performance.

Currently, the Group identifies two sets of segments (business and geographical) using a risks-and-rewards approach, with the Group's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments. As a result, following the adoption of FRS 8, the identification of the Group's reportable segments may change.

FRS 101 - Presentation of Financial Statements (Revised in 2009)

FRS 101 introduces terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard requires the presentation of a third statement of financial position in the event that the entity has applied new accounting policies retrospectively. There is no impact on the Group's and the Company's financial statements as this change in accounting policy affects only the presentation of the Group's and of the Company's financial statements.

FRS 123 - Borrowing Costs (Revised)

FRS 123 (Revised) eliminates the option available under the previous version of FRS 123 to recognise all borrowing costs immediately as an expense. An entity shall capitalize borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. This principal change in the Standard has no impact on the financial statements of the Group and of the Company in the period of initial application as it has always been the Group's and the Company's accounting policy to capitalise borrowing costs incurred on qualifying assets.

FRS 127 - Consolidated and Separate Financial Statements (Revised in 2010)

The revised Standard will affect the Group's accounting policies regarding changes in ownership interests in its subsidiary companies that do not result in a change in control. Previously, in the absence of specific requirements in FRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised, where appropriate; for decreases in interests in existing subsidiaries regardless of whether the disposals would result in the Group losing control over the subsidiaries, the difference between the consideration received and the carrying amount of the share of net assets disposed of was recognised in profit or loss.

Under FRS 127 (Revised in 2010), increases or decreases in ownership interests in subsidiaries that do not result in the Group losing control over the subsidiary companies are dealt with in equity and attributed to the owners of the parent, with no impact on goodwill or profit or loss. When control of a subsidiary is lost as a result of a transaction, event or other circumstance, FRS 127 (Revised in 2010) requires that the Group derecognises all assets, liabilities and non-controlling interests at their carrying amounts. Any retained interest in the former subsidiary is recognised at its fair value at the date when control is lost, with the resulting gain or loss being recognised in profit or loss.

Upon adoption, this Standard will be applied prospectively and therefore, no restatements will be required in respect of transactions prior to the date of adoption.

FRS 139 - Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. By virtue of the exemption in paragraph 103AB of FRS 139, the impact of applying FRS 139 on the financial statements upon first adoption of this standard as required by paragraph 30(b) of FRS 108: Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed.



Improvements to FRS (2009)

Improvements to FRS (2009) contain amendments to 21 FRSs. Some of the improvements involve accounting changes to presentation, recognition or measurement whilst some are changes to terminology with little effect on accounting. Only the following improvement is expected to have an impact on the Group's financial statements:

FRS 117 Leases generally requires leases of land with an indefinite useful life to be classified as operating leases. Following the amendments, leases of land are classified as either 'finance' or 'operating' using the general principles of FRS 117. These amendments are effective for annual periods beginning on or after January 1, 2010, and they are to be applied retrospectively to unexpired leases as of January 1, 2010 if the necessary information was available at the inception of the lease. Otherwise, the revised Standard will be applied based on the facts and circumstances existing on January 1, 2010 (i.e. the date of adoption of the amendments) and the Group will recognise assets and liabilities related to land leases newly classified as finance lease at their fair values on that date; any difference between those fair values will be recognised in retained earnings. It is likely that the changes will affect the classification of some of the Group's leases of land.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the accounting policies stated below.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiary companies). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiary companies acquired or disposed of during the financial year are included in the consolidated income statements from the effective date of acquisition or up to the effective date of disposal as appropriate.

All significant intercompany transactions, balances and resulting unrealised gains are eliminated in full on consolidation. Unrealised losses are eliminated in full on consolidation unless costs cannot be recovered.

Minority interests in the net assets (excluding goodwill) of the consolidated subsidiary companies are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary companies' equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover its share of those losses.

Business Combinations

The acquisition of subsidiary companies are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for the recognition under FRS 3 *Business Combinations* are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with FRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the income statements.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Investment in Subsidiary Companies

A subsidiary is an entity over which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from its activities.

Subsidiary companies are consolidated from the date on which control is transferred to the Group and are no longer

consolidated from the date that control ceases.

Investments in subsidiaries which are eliminated on consolidation, are stated at cost less impairment, if any in the Company's separate financial statements.

Goodwill on Consolidation

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary company, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue represents gross invoiced value of goods sold net of trade discounts and allowances.

Sale of goods

Revenue from the sale of goods is recognised when the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the cost incurred or to be incurred in respect of the transaction can be measured reliably.

Other Income Recognition

Dividend income represents gross dividends from unquoted investments and is recognised when the shareholder's right to receive payment is established.

Rental income is accrued on a time basis, by references to the agreements entered into.

Management fee income from rendering services is recognised when services are rendered to the subsidiary companies.

Interest income is recognised on a time proportion basis, taking into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group and the Company.

Foreign Currencies

The individual financial statements of each company in the Group are presented in the currency of the primary economic environment in which the company operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each company are expressed in Ringgit Malaysia ("RM") which is the functional currency of the Company and the presentation currency of the consolidated financial statements.

In preparing the financial statements of the Group and of the Company, transactions in currencies other than the Group and the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of



which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in RM using exchange rates prevailing at the balance sheet date. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and recognised in the Group's foreign currency translation reserve. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary item that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Employee Benefits

i. Short-term benefits

Wages, salaries, paid annual leave, bonuses and social contributions are recognised in the year in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

ii. Defined contribution plan

The Company and certain subsidiary companies make statutory contributions to approved provident funds and the contributions are charged to income statements for the year. The approved provident funds are defined contribution plans. The Group's foreign incorporated subsidiary company and its eligible employees also made contributions to their respective country's statutory pension scheme. Such contributions are recognised as an expense in income statements as incurred. Once the contributions have been paid, there are no further payment obligations.

iii. Equity compensation benefits

The Company's ESOS allows the employees of the Group to acquire shares in the Company. The total fair value of share options granted to eligible employees is recognised as an employee cost in profit or loss with a corresponding increase in the equity compensation reserve within equity over the vesting period and taking into account the probability that the options will vest.

The fair value of the share options is measured at grant date taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each balance sheet date, the Company revises its estimates of the number of share options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in profit or loss, and a corresponding adjustment to equity over the remaining vesting period.

Borrowing Costs

Borrowing costs directly attributable to acquisition, construction or production of qualifying assets which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the income statements in the period in which they are incurred.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's and the Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred Tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses and unused tax credits can be recognised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity.

Property, Plant and Equipment

Freehold land and buildings are stated in the balance sheet at cost or at revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Any revaluation increase arising on the revaluation of such land and buildings is credited to the property revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged to profit or loss. A decrease in carrying amount arising on the revaluation of such land and buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is charged to profit or loss. On subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the property revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when the asset is derecognised.

Plant and equipment, motor vehicles and forklifts are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation of property, plant and equipment is computed on the straight-line method to write off the cost of the various property, plant and equipment over their estimated useful lives at the following annual rates:

Buildings	1.8% & 2%
Plant and machineries	10%
Motor vehicles and forklifts	10% & 20%
Electrical fittings and installation	10%
Office equipment, furniture and fittings	5%, 10% & 100%
Stores, cabin and renovations	10%

The residual values, estimated useful lives and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

The gain or loss on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statements.



Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheets as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the income statements, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Prepaid Land Lease Payments

Lease of land where title is not expected to pass to the lessee by the end of the lease term is classified as operating lease as land normally has an indefinite useful life. The up-front payments made on entering into or acquiring a leasehold land that is an operating lease represents prepaid land lease payments which are amortised on a straight-line basis over the remaining period of the lease of 34 to 60 years.

Impairment of Tangible Assets

At each balance sheet date, the Group and the Company review the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statements, unless the relevant assets is carried at a revalued amount, in which case the impairment loss is treated as revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statements, unless the relevant assets is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the "first-in, first-out" method. The cost of raw materials, trading merchandise and consumables comprises the original purchase price plus cost incurred in bringing the inventories to their present location. The cost of work-in-progress and finished goods comprises the cost of raw materials, direct labour and a proportion of production overheads.

Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

Receivables

Receivables are reduced by the appropriate allowances for estimated irrecoverable amounts. Allowance for doubtful debts is made based on estimates of possible losses which may arise from non-collection of certain receivable accounts.

Payables

Trade and other payables are stated at the nominal value of the consideration to be paid in the future for goods and services received.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that the Group will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

Provisions are measured at the directors' best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of time value of money is material, the amount of the provision is determined by discounting expected future cash flows, using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

At each balance sheet date, provisions are reviewed by the directors and adjusted to reflect the current best estimate. Provision is reversed if it is no longer probable that the Group will be required to settle the obligation.

Financial Instruments

Financial instruments are contracts that give rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

Debts and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Contingent Liabilities

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefits is remote.

Cash Flow Statements

The Group and the Company adopt the indirect method in the preparation of the cash flow statements.

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risks of changes in value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

i. Allowance for doubtful debts

The Group and the Company recognise an allowance for doubtful debts when there is objective evidence that the Group and the Company will not be able to collect all amounts due according to the original terms of receivables. Significant judgement is required in the assessment of the recoverability of receivables, which have a financial impact on the amount of allowance for doubtful debts recognised.

ii. Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

The carrying amount of goodwill at the balance sheet date was RM836,556. Details calculation are provided in Note 16.

5. REVENUE

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Sales of goods	309,771,099	308,912,310	-	-
Dividend income	-	-	5,494,160	3,158,500
Management fee	-	-	885,551	816,920
	309,771,099	308,912,310	6,379,711	3,975,420

6. SEGMENT REPORTING

(a) Primary reporting format - Business segments

For management purposes, the Group is organised into the following operating divisions:

- Manufacturing of wood products
- Distributing of wood products
- Others

Segment revenue and expense: Segment revenue and expense are the operating revenue and expense reported in the Group's income statements that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities: Segment assets include all operating assets used by a segment and consist principally of operating receivables, inventories and property, plant and equipment, net of allowances and provisions. Capital additions include the total cost incurred to acquire property, plant and equipment directly attributable to the segment. Segment liabilities include all operating liabilities and consist principally of accounts payable and accruals.

Inter-segment sales are charged at prevailing market prices. These transfers are eliminated on consolidation.



The Group

2010	Manufacturing of wood products RM	Distributing of wood products RM	Others RM	Elimination RM	Consolidated RM
REVENUE					
External sales	64,683,471	245,087,628	-	-	309,771,099
Inter-segment sales	6,235,942	118,247	72,000	(6,426,189)	-
Total Revenue	70,919,413	245,205,875	72,000	(6,426,189)	309,771,099
RESULTS					
Segment results	8,550,070	12,421,122	43,402	-	21,014,594
Interest income					182,111
Unallocated corporate expenses					(710,718)
Finance costs					(1,410,051)
Profit before tax					19,075,936
Income tax expense					(4,789,008)
Profit for the year					14,286,928
OTHER INFORMATION					
Capital additions	1,742,190	1,056,388	3,032,321	-	5,830,899
Unallocated corporate capital additions					3,447
Total capital additions					5,834,346
Depreciation and amortisation	1,125,123	979,388	13,169	-	2,117,680
Unallocated corporate depreciation and amortisation					86
Total depreciation and amortisation					2,117,766
CONSOLIDATED BALANCE SHEET					
ASSETS					
Segment assets	52,702,804	125,117,434	22,565,613	-	200,385,851
Unallocated corporate assets					6,937,740
Consolidated total assets					207,323,591
LIABILITIES					
Segment liabilities	11,250,826	13,042,132	219,000	-	24,511,958
Unallocated corporate liabilities					59,002,281
Consolidated total liabilities					83,514,239


The Group

2009	Manufacturing of wood products RM	Distributing of wood products RM	Elimination RM	Consolidated RM
REVENUE				
External sales	59,065,704	249,846,606	-	308,912,310
Inter-segment sales	5,630,159	2,976,290	(8,606,449)	-
Total Revenue	64,695,863	252,822,896	(8,606,449)	308,912,310
RESULTS				
Segment results	5,404,201	13,368,815	-	18,773,016
Interest income				206,817
Unallocated corporate expenses				(441,512)
Finance costs				(2,388,816)
Profit before tax				16,149,505
Income tax expense				(4,371,021)
Profit for the year				11,778,484
OTHER INFORMATION				
Capital additions	3,062,942	95,958	-	3,158,900
Unallocated corporate capital additions				5,173,047
Total capital additions				8,331,947
Depreciation and amortisation	1,061,349	877,362	-	1,938,711
Unallocated corporate depreciation and amortisation				7,038
Total depreciation and amortisation				1,945,749
CONSOLIDATED BALANCE SHEET				
ASSETS				
Segment assets	40,674,795	101,184,455	-	141,859,250
Unallocated corporate assets				19,870,838
Consolidated total assets				161,730,088
LIABILITIES				
Segment liabilities	4,248,364	9,836,107	-	14,084,471
Unallocated corporate liabilities				42,641,119
Consolidated total liabilities				56,725,590



(b) Secondary reporting format - Geographical segments

The Group's operations are located in Malaysia, Singapore, Australia and Vietnam. The Group's distribution of wood products is located in Malaysia, Singapore and Australia whereas manufacturing of wood products is located in Malaysia and Vietnam.

The following is an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services:

	Sales revenue by geographical market	
	2010 RM	2009 RM
Malaysia	257,058,031	256,369,527
Australia	22,277,308	21,618,876
Singapore	6,551,965	6,675,092
United States and European countries	6,686,245	6,405,892
Other Asia-Pacific countries	17,197,550	17,842,923
	309,771,099	308,912,310

The following is an analysis of the carrying amount of segment assets and capital additions by the geographical area in which the assets are located:

	Carrying amount of segment assets		Capital additions	
	2010 RM	2009 RM	2010 RM	2009 RM
Malaysia	173,162,772	134,360,861	5,547,078	5,384,921
Singapore	13,033,878	14,514,363	126,890	-
Australia	15,137,453	7,751,676	107,161	-
Vietnam	5,989,488	5,103,188	53,217	2,947,026
	207,323,591	161,730,088	5,834,346	8,331,947

7. INVESTMENT REVENUE

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Interest income from:				
Fixed and short-term deposits	180,301	205,970	124,730	134,652
Current accounts	1,810	847	-	-
	182,111	206,817	124,730	134,652

8. DIRECTORS' REMUNERATION

The members of key management personnel of the Group and of the Company comprise the Executive Directors and Directors of subsidiary companies. Key management personnel are defined as those persons having authority and responsibility for planning, directing, and controlling the activities of the Group and of the Company whether directly or indirectly. Details on the compensation for these key management personnel are disclosed as follows:

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Directors of the Company:				
Executive directors:				
Emoluments	2,226,582	2,538,631	8,000	8,500
EPF contributions	229,899	204,434	-	-
	2,456,481	2,743,065	8,000	8,500
Non-executive directors:				
Fees	172,000	172,000	172,000	172,000
Other emoluments	9,000	9,500	9,000	9,500
	181,000	181,500	181,000	181,500
	2,637,481	2,924,565	189,000	190,000
Directors of subsidiary companies:				
Emoluments	602,748	638,009	-	-
EPF contributions	85,695	69,487	-	-
	688,443	707,496	-	-
	3,325,924	3,632,061	189,000	190,000

9. FINANCE COSTS

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Interest on:				
Bankers' acceptances	1,077,871	2,070,659	-	-
Term loans	227,605	151,410	-	-
Trust receipts	111,695	144,821	-	-
Bank overdrafts	142,080	143,685	-	-
Hire-purchases	15,209	15,734	-	-
Finance leases	4,765	4,694	-	-
	1,579,225	2,531,003	-	-
Less: Interest capitalised (Note 13)	(169,174)	(142,187)	-	-
	1,410,051	2,388,816	-	-



10. PROFIT BEFORE TAX

Profit before tax is arrived at after crediting (charging) the following:

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Rental income	92,800	72,300	-	-
Gain (Loss) on disposal of property, plant and equipment	39,711	(24,005)	-	-
Interest received on late payment	37,151	34,137	-	-
Allowance for doubtful debts no longer required	12,585	-	-	-
Bad debts recovered	2,840	3,400	-	-
Property, plant and equipment written off	(11,239)	(6,830)	-	-
Bad debts written off	(65,084)	(255,624)	-	-
Inventory written off	(128,693)	-	-	-
Audit fee:				
Current year	(152,012)	(171,762)	(15,000)	(15,000)
Underprovision in prior year	-	(605)	-	-
Rental of premises	(310,512)	(291,900)	-	-
Gain (Loss) on foreign exchange:				
Realised	18,551	(344,824)	-	-
Unrealised	(383,512)	(57,568)	(144,291)	127,370
Allowance for:				
Doubtful debts	(535,948)	(236,491)	-	-
Slow moving inventories	(100,000)	-	-	-
Diminution in value of investment in subsidiary companies	-	-	-	(501,782)

Included in employee benefits expense of the Group and of the Company are EPF contributions of RM958,207 and RM19,192 (2009: RM858,305 and RM13,483) respectively.

11. INCOME TAX EXPENSE

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Current tax expense:				
Malaysian	4,328,524	4,063,300	1,125,271	667,000
Foreign	586,455	381,282	-	-
	4,914,979	4,444,582	1,125,271	667,000
Deferred tax expense (credit) (Note 26):				
Relating to origination and reversal of temporary differences	81,855	(132,219)	-	-
Under(Over)provision in prior years:				
Current tax	(94,971)	36,658	(5,994)	(22,988)
Deferred tax (Note 26)	(112,855)	22,000	-	-
	(207,826)	58,658	(5,994)	(22,988)
	4,789,008	4,371,021	1,119,277	644,012



A numerical reconciliation of income tax expense at the applicable income tax rate to income tax expense at the effective income tax rate is as follows:

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Profit before tax	19,075,936	16,149,505	5,793,723	3,184,491
Tax at the applicable statutory tax rate of 25%	4,769,000	4,037,000	1,448,000	796,000
Tax effects of:				
Expenses that are not deductible in determining taxable profit	577,910	489,725	105,271	160,000
Income that are not taxable in determining taxable profit	(71,646)	(61,000)	-	(32,000)
Allowable expenditure for double tax deduction	(121,000)	(75,000)	-	-
Tax exempt income	(62,899)	(78,362)	(428,000)	(257,000)
Reinvestment allowance utilised	(94,531)	-	-	-
Under(Over)provision in prior years:				
Current tax	(94,971)	36,658	(5,994)	(22,988)
Deferred tax	(112,855)	22,000	-	-
Tax expense for the year	4,789,008	4,371,021	1,119,277	644,012



12. EARNINGS PER ORDINARY SHARE

	The Group	
	2010 RM	2009 RM
Basic		
Profit attributable to equity holders of the Company	14,042,478	11,638,699
	Units	Units
Number of ordinary shares in issue as of April 1	124,003,480	124,003,480
Effect of the exercise of the ESOS	158,000	-
Total number of ordinary shares in issue	124,161,480	124,003,480
Weighted average number of ordinary shares in issue	124,031,617	124,003,480
Basic earnings per ordinary share (sen)	11.32	9.39

	The Group	
	2010 RM	2009 RM
Fully Diluted		
Profit attributable to equity holders of the Company	14,042,478	11,638,699
	Units	Units
Weighted average number of ordinary shares in issue	124,031,617	124,003,480
ESOS:		
Number of unissued shares	15,334,320	19,593,720
Number of shares that would have been issued at fair value	(15,370,612)	(23,465,533)
	N/A	N/A
Adjusted weighted average number of ordinary shares for calculating diluted earnings per ordinary share	N/A	N/A
Fully diluted earnings per ordinary share (sen)	N/A	N/A

The fully diluted earnings per ordinary share for 2010 and 2009 are not shown as the effect of the assumed conversion of outstanding ESOS of 15,334,320 units to ordinary shares would be anti-dilutive due to the market price of the ordinary shares which on average is lower than the subscription price.



13. PROPERTY, PLANT AND EQUIPMENT

	Freehold land*	Leasehold buildings*	Buildings*	Plant and machineries	Motor vehicles and forklifts	Electrical fittings and installation	Office equipment, furniture and fittings	Stores, cabin and renovation	Construction work-in-progress	Total
The Group	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Cost/Valuation:										
Balance as of April 1, 2008	15,790,012	671,463	17,489,036	10,733,781	5,079,957	522,398	2,013,742	376,317	197,971	52,874,677
Additions	142,187	-	44,000	866,408	160,839	-	125,536	30,565	6,962,412	8,331,947
Disposals/ Written off	-	-	-	-	(50,370)	-	(28,688)	-	-	(79,058)
Revaluation	516,625	-	974,611	-	-	-	-	-	-	1,491,236
Reclassification	-	-	1,994,435	-	-	-	-	-	(1,994,435)	-
Exchange differences	-	-	96,862	6,529	40,900	-	8,296	6,385	17,053	176,025
Balance as of March 31, 2009	16,448,824	671,463	20,598,944	11,606,718	5,231,326	522,398	2,118,886	413,267	5,183,001	62,794,827
Additions	231,434	-	61,030	778,992	1,222,113	54,346	681,906	3,638	2,800,887	5,834,346
Disposals/ Written off	-	-	-	-	(133,904)	-	(44,919)	-	-	(178,823)
Revaluation	8,295,742	33,031	431,422	-	-	-	-	-	-	8,760,195
Reclassification	-	-	7,983,888	-	-	-	-	-	(7,983,888)	-
Exchange differences	-	-	(407,493)	(134,600)	(61,903)	-	(16,578)	(5,051)	-	(625,625)
Balance as of March 31, 2010	24,976,000	704,494	28,667,791	12,251,110	6,257,632	576,744	2,739,295	411,854	-	76,584,920

	Leasehold buildings*	Buildings*	Plant and machineries	Motor vehicles and forklifts	Electrical fittings and installation	Office equipment, furniture and fittings	Stores, cabin and renovation	Total
	RM	RM	RM	RM	RM	RM	RM	RM
Accumulated Depreciation:								
Balance as of April 1, 2008	22,568	2,163,944	8,613,150	3,102,656	436,941	1,057,977	189,157	15,586,393
Charge for the year	13,429	355,566	660,220	564,008	29,034	162,183	29,345	1,813,785
Disposals/ Written off	-	-	-	(50,369)	-	(10,638)	-	(61,007)
Exchange differences	-	10,152	47	24,297	-	4,787	1,239	40,522
Balance as of March 31, 2009	35,997	2,529,662	9,273,417	3,640,592	465,975	1,214,309	219,741	17,379,693
Charge for the year	13,429	459,246	612,345	680,727	18,499	174,532	29,720	1,988,498
Disposals/ Written off	-	-	-	(111,587)	-	(31,647)	-	(143,234)
Exchange differences	-	(19,986)	(8,862)	(26,684)	-	(7,888)	(2,183)	(65,603)
Balance as of March 31, 2010	49,426	2,968,922	9,876,900	4,183,048	484,474	1,349,306	247,278	19,159,354



The Group	Freehold land*	Leasehold buildings*	Buildings*	Plant and machineries	Motor vehicles and forklifts	Electrical fittings and installation	Office equipment, furniture and fittings	Stores, cabin and renovation	Construction work-in-progress	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Accumulated Impairment:										
Balance as of April 1, 2008	-	-	-	-	-	-	-	-	-	-
Impairment loss charged to income statements	-	-	360,274	-	-	-	-	-	-	360,274
Balance as of March 31, 2009	-	-	360,274	-	-	-	-	-	-	360,274
Impairment loss charged to income statements	-	-	-	-	-	-	-	-	-	-
Balance as of March 31, 2010	-	-	360,274	-	-	-	-	-	-	360,274
Carrying Amount:										
Balance as of March 31, 2010	24,976,000	655,068	25,338,595	2,374,210	2,074,584	92,270	1,389,989	164,576	-	57,065,292
Balance as of March 31, 2009	16,448,824	635,466	17,709,008	2,333,301	1,590,734	56,423	904,577	193,526	5,183,001	45,054,860



* The freehold land, leasehold buildings and buildings of the Group consist of:

	← AT VALUATION →			← AT COST →			← TOTAL →		
	Freehold land RM	Leasehold buildings RM	Buildings RM	Freehold land RM	Leasehold buildings RM	Buildings RM	Freehold land RM	Leasehold buildings RM	Buildings RM
Cost/Valuation:									
Balance as of April 1, 2008	6,720,000	-	10,601,992	9,070,012	671,463	6,887,044	15,790,012	671,463	17,489,036
Additions	-	-	-	142,187	-	44,000	142,187	-	44,000
Revaluation	516,625	-	974,611	-	-	-	516,625	-	974,611
Reclassification	3,283,375	671,463	6,936,979	(3,283,375)	(671,463)	(4,942,544)	-	-	1,994,435
Exchange differences	-	-	90,927	-	-	5,935	-	-	96,862
Balance as of March 31, 2009	10,520,000	671,463	18,604,509	5,928,824	-	1,994,435	16,448,824	671,463	20,598,944
Additions	-	-	-	231,434	-	61,030	231,434	-	61,030
Revaluation	8,295,742	33,031	431,422	-	-	-	8,295,742	33,031	431,422
Reclassification	6,160,258	-	7,983,888	(6,160,258)	-	-	-	-	7,983,888
Exchange differences	-	-	(81,573)	-	-	(325,920)	-	-	(407,493)
Balance as of March 31, 2010	24,976,000	704,494	26,938,246	-	-	1,729,545	24,976,000	704,494	28,667,791

	← AT VALUATION →			← AT COST →			← TOTAL →		
	Freehold land RM	Leasehold buildings RM	Buildings RM	Freehold land RM	Leasehold buildings RM	Buildings RM	Freehold land RM	Leasehold buildings RM	Buildings RM
Accumulated Depreciation:									
Balance as of March 31, 2008	-	-	1,757,442	-	22,568	406,502	-	22,568	2,163,944
Charge for the year	-	-	280,985	-	13,429	74,581	-	13,429	355,566
Reclassification	-	35,997	475,833	-	(35,997)	(475,833)	-	-	-
Exchange differences	-	-	9,938	-	-	214	-	-	10,152
Balance as of March 31, 2009	-	35,997	2,524,198	-	-	5,464	-	35,997	2,529,662
Charge for the year	-	13,429	365,799	-	-	93,447	-	13,429	459,246
Exchange differences	-	-	(11,390)	-	-	(8,596)	-	-	(19,986)
Balance as of March 31, 2010	-	49,426	2,878,607	-	-	90,315	-	49,426	2,968,922

	← AT VALUATION →			← AT COST →			← TOTAL →		
	Freehold land RM	Leasehold buildings RM	Buildings RM	Freehold land RM	Leasehold buildings RM	Buildings RM	Freehold land RM	Leasehold buildings RM	Buildings RM
Accumulated Impairment:									
Balance as of April 1, 2008	-	-	-	-	-	-	-	-	-
Impairment loss charged to income statements	-	-	360,274	-	-	-	-	-	360,274
Balance as of March 31, 2009	-	-	360,274	-	-	-	-	-	360,274
Impairment loss charged to income statements	-	-	-	-	-	-	-	-	-
Balance as of March 31, 2010	-	-	360,274	-	-	-	-	-	360,274
Carrying Amount:									
Balance as of March 31, 2010	24,976,000	655,068	23,699,365	-	-	1,639,230	24,976,000	655,068	25,338,595
Balance as of March 31, 2009	10,520,000	635,466	15,720,037	5,928,824	-	1,988,971	16,448,824	635,466	17,709,008



THE COMPANY	MOTOR VEHICLE RM	OFFICE EQUIPMENT RM	TOTAL RM
Cost:			
Balance as of April 1, 2008	422,338	-	422,338
Additions	-	-	-
Balance as of March 31, 2009	422,338	-	422,338
Additions	-	3,447	3,447
Balance as of March 31, 2010	422,338	3,447	425,785
Accumulated Depreciation:			
Balance as of April 1, 2008	415,299	-	415,299
Charge of the year	7,038	-	7,038
Balance as of March 31, 2009	422,337	-	422,337
Charge of the year	-	86	86
Balance as of March 31, 2010	422,337	86	422,423
Carrying Amount:			
Balances as of March 31, 2010	1	3,361	3,362
Balance as of March 31, 2009	1	-	1

Included in additions to freehold land of the Group during the financial year is interest on term loan capitalised of RM169,174 (2009: RM142,187).

As of March 31, 2010, motor vehicles of the Group which were acquired under hire-purchase and finance lease arrangements, and of which instalments are still outstanding, are as follows:

	The Group	
	2010 RM	2009 RM
Hire-purchase:		
Cost	2,161,565	1,448,205
Accumulated depreciation	(1,283,685)	(1,003,718)
	877,880	444,487
Finance lease:		
Cost	307,019	315,123
Accumulated depreciation	(184,214)	(157,563)
	122,805	157,560
	1,000,685	602,047

The freehold land and buildings of a subsidiary company were revalued by the directors on March 15, 2010 based on valuations carried out by Sr. Tia Chen Foo, registered valuer of ChenFoo Property Consultants, an independent firm of professional valuers, using the "open market value on existing use" basis. For the other properties of the Group, a review on their fair valuers was also carried out by the abovementioned independent firm of professional valuers on March 1, 2010.

Had these assets been carried at historical costs, the carrying values of the revalued freehold land and buildings will be as follows:

	The Group	
	2010 RM	2009 RM
Cost:		
Freehold land	12,771,709	5,028,076
Buildings	25,218,391	12,228,337
	37,990,100	17,256,413
Accumulated Depreciation:		
Buildings	(2,751,563)	(2,131,712)
Carrying Amount	35,238,537	15,124,701

14. PREPAID LAND LEASE PAYMENTS

The movements in prepaid land lease payments during the financial year are as follows:

	The Group	
	2010 RM	2009 RM
Cost:		
At beginning of year	6,902,986	6,733,224
Additions	208,305	-
Exchange differences	(310,312)	169,762
At end of year	6,800,979	6,902,986
Accumulated Amortisation:		
At beginning of year	933,080	786,193
Amortisation for the year	129,268	131,964
Exchange differences	(24,847)	14,923
At end of year	1,037,501	933,080
Carrying Amount	5,763,478	5,969,906



15. INVESTMENT IN SUBSIDIARY COMPANIES

	The Group	
	2010 RM	2009 RM
Unquoted shares, at cost	11,286,303	11,286,303
Less: Allowance for diminution in value	(501,782)	(501,782)
	10,784,521	10,784,521

The details of the subsidiary companies are as follows:

NAME OF SUBSIDIARY COMPANY	EFFECTIVE EQUITY INTEREST		COUNTRY OF INCORPORATION AND OPERATION	PRINCIPAL ACTIVITIES
	2010	2009		
Premier Woodprofile Sdn. Bhd.	100%	100%	Malaysia	Manufacturing of primed medium density fibreboard mouldings, wrapped mouldings and furniture components
Bripanel Industries Sdn. Bhd.	100%	100%	Malaysia	Manufacturing of laminated wood panel products
Combi Trading Sdn. Bhd.	100%	100%	Malaysia	Distribution of wood products
Ikta Sdn. Bhd.	100%	100%	Malaysia	Distribution of wood products
Jurihan Sdn. Bhd.	100%	100%	Malaysia	Distribution of wood products and building materials
Ecopanel Industries Sdn. Bhd.	100%	100%	Malaysia	Manufacturing of laminated wood panel products
Akati Impex Pte. Ltd.*	100%	100%	Singapore	Importers, distributors and exporters of all types of wood products
Green Panel Pty. Ltd.	100%	100%	Australia	Distribution of wood products
Damai Estate Sdn. Bhd.	100%	100%	Malaysia	Property management
Akati Wood (Vietnam) Co., Ltd.*#	100%	100%	Vietnam	Manufacturing of laminated wood panel products and distribution of wood products
Kim Guan Impex Sdn. Bhd.	70%	70%	Malaysia	Distribution of wood products and building materials

* Audited by other firm of auditors.

The auditors' report on the financial statements of this subsidiary company has been modified with an emphasis of matter on the ability of the subsidiary company to continue as a going concern. This ability to continue as a going concern is dependent on the continuous financial support of the holding company and the ability of the subsidiary company to generate profits in the foreseeable future.

16. GOODWILL ON CONSOLIDATION

	The Group	
	2010 RM	2009 RM
At beginning and end of year	836,556	836,556

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

	The Group	
	2010 RM	2009 RM
Manufacturing of wood products	571,808	571,808
Distribution of wood products	264,748	264,748
	836,556	836,556

Impairment tests for cash-generating units ("CGU") containing goodwill

The Group considers each subsidiary company as a single CGU and the carrying amount of goodwill is allocated to the respective subsidiary companies.

The recoverable amount of a CGU is determined based on value-in-use calculation. The value in use calculation is determined using cash flows projections, based on financial budgets approved by management, discounted at rates which reflect risks relating to the relevant CGU. The following key assumptions are used to generate the financial budgets:

Sales growth rate 11% to 85% per annum

Discount rate 8%

The above key assumptions were determined based on business past performance and management's expectations of market development.

17. INVENTORIES

	The Group	
	2010 RM	2009 RM
Raw materials	12,648,750	7,481,619
Work-in-progress	776,004	672,799
Finished goods	1,098,775	700,964
Consumables	854,055	1,002,517
Trading merchandise		
- On hand	41,737,565	31,869,763
- In-transit	6,593,973	4,189,657
	63,709,122	45,917,319
Less: Allowance for slow-moving inventories	(350,000)	(250,000)
	63,359,122	45,667,319



18. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES

Trade receivables consist of:

	The Group	
	2010 RM	2009 RM
Trade receivables	64,472,423	54,032,237
Less: Allowance for doubtful debts	(824,919)	(466,495)
	63,647,504	53,565,742

Trade receivables comprise amounts receivable for the sales of goods. The credit period granted on sales of goods ranges from 7 days to 90 days (2009: 14 days to 90 days). An allowance has been made for estimated irrecoverable amount from the sale of goods to third parties of RM824,919 (2009: RM466,495). This allowance has been determined by reference to past default experience.

Other receivables and prepaid expenses consist of:

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Other receivables	51,445	271,982	-	-
Refundable deposits	343,989	158,621	1,000	1,000
Prepaid expenses	465,573	977,152	-	2,680
	861,007	1,407,755	1,000	3,680

The foreign currency exposure profile of trade and other receivables is as follows:

	The Group	
	2010 RM	2009 RM
Trade receivables:		
Australian Dollar	3,048,371	2,027,327
United States Dollar	1,811,519	1,709,515
Singapore Dollar	1,737,708	1,595,527
Vietnamese Dong	405,111	32,867
Euro	81,847	152,566
Other receivables:		
Vietnamese Dong	213,243	430,592
Singapore Dollar	28,389	86,483
Australian Dollar	-	231,925

19. HOLDING COMPANY AND RELATED PARTY TRANSACTIONS

The Company is a subsidiary company of NS Pacific Sdn. Bhd., a company incorporated in Malaysia, which is also the Company's ultimate holding company.

The amount owing by (to) subsidiary companies arose mainly from management fee receivable, advances and payments made on behalf by (of) which are unsecured, interest-free and repayable on demand.

Significant transactions undertaken by the Group with the related companies are as follows:

	The Group	
	2010 RM	2009 RM
Subsidiary companies		
Dividend income:		
Combi Trading Sdn. Bhd	2,550,000	-
Akati Impex Pte. Ltd.	1,714,160	1,158,500
Ikta Sdn. Bhd.	1,230,000	-
Premier Woodprofile Sdn. Bhd.	-	2,000,000
Management fee income:		
Combi Trading Sdn. Bhd.	180,000	180,000
Ikta Sdn. Bhd.	180,000	180,000
Jurihan Sdn. Bhd.	120,000	120,000
Green Panel Pty. Ltd.	165,551	96,920
Bripanel Industries Sdn. Bhd.	60,000	60,000
Premier Woodprofile Sdn. Bhd.	60,000	60,000
Kim Guan Impex Sdn. Bhd.	60,000	60,000
Ecopanel Industries Sdn. Bhd.	60,000	60,000
Advances granted:		
Akati Wood (Vietnam) Co., Ltd.	-	962,896
Ikta Sdn. Bhd.	-	140,000
Advances received:		
Combi Trading Sdn. Bhd.	-	470,000
Ikta Sdn. Bhd.	-	140,000

20. CASH AND BANK BALANCES

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Fixed deposits placed with licensed banks	8,550,000	5,300,000	5,880,000	4,300,000
Cash on hand and at banks	7,211,658	3,927,950	53,379	38,503
	15,761,658	9,227,950	5,933,379	4,338,503

The currency profile of cash and bank balances of the Group are as follows:

	The Group	
	2010 RM	2009 RM
Ringgit Malaysia	13,325,593	8,148,317
United States Dollar	1,544,584	558,538
Australian Dollar	664,260	481,771
Vietnamese Dong	215,544	27,339
Singapore Dollar	11,677	11,985
	15,761,658	9,227,950

The cash and bank balances of the Company are entirely denominated in Ringgit Malaysia.

Fixed deposits of the Group and of the Company placed with licensed banks bear interest at an average rate of 2.10% and 2.25% (2009: 3.02% and 2.70%) per annum respectively.

21. SHARE CAPITAL AND TREASURY SHARES

Share Capital

	The Group and the Company			
	2010 NO. OF SHARES	2009 NO. OF SHARES	2010 RM	2009 RM
Authorised:				
Ordinary shares of RM0.50 each	200,000,000	200,000,000	100,000,000	100,000,000
Issued and fully paid:				
At beginning of year	124,003,480	124,003,480	62,001,740	62,001,740
Issued during the year:				
Exercise of share options	158,000	-	79,000	-
At end of year	124,161,480	124,003,480	62,080,740	62,001,740

The issued and paid-up ordinary share capital of the Company was increased from RM62,001,740 to RM62,080,740 during the financial year by way of allotment of 64,000 and 94,000 new ordinary shares of RM0.50 each at option prices of RM0.50 and RM0.51 each for cash respectively pursuant to the Employees' Share Option Scheme ("ESOS").

The resulting premium arising from the shares issued of RM940, has been credited to the share premium account.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

The Company's ESOS was approved by the shareholders at an Extraordinary General Meeting held on July 26, 2004 and the approval from Bursa Malaysia Securities Berhad ("Bursa Securities") was obtained on May 25, 2004.

On February 27, 2008, the ESOS Committee made additional offers of 5,473,200 share options to the qualified employees in the Group and the Company in accordance with the terms stated in the ESOS By-laws, at an exercise price of RM 0.51 per ordinary share. All terms and conditions of the offer remained unchanged. The compensation expense relating to these additional share options has not been recognised in income statements over the vesting periods of the grants with a corresponding increase in equity as the directors are of the opinion that the effect on the financial statements is not material.

The salient features of the ESOS are as follows:-

- any employee employed full time by the Group shall be eligible in the ESOS if he or she has been confirmed and must have served the Group on a continuous basis for a period of not less than a year on the Date of Offer;
- the number of new ordinary shares to be offered under the ESOS shall be subject to a maximum of 15% of the issued and paid-up share capital of the Company at any time during the existence of the ESOS; and the maximum entitlement of any eligible employee is 750,000 new ordinary shares under the ESOS and the actual entitlement will be determined by the Committee as appointed by the Board to administer the ESOS based on parameters as set out in the By-Laws approved by Bursa Securities;

- (c) the ESOS shall be in force for a maximum period of five (5) years from the Date of Offer. As approved by the ESOS Committee at a meeting held on July 24, 2009, the exercised period for the ESOS granted in 2004 has been extended for another five years. The revised expiry date will fall on August 2, 2014;
- (d) the price payable upon the exercise of the options under the ESOS shall be the average of the mean market quotation (calculated as the weighted average market prices as traded on Bursa Securities for the day) of the ordinary shares as quoted and shown in the Daily Official List issued by Bursa Securities for the five (5) market days with a discount of not more than ten per centum (10%) or the par value of the shares, whichever is the higher amount.
- (e) the shares under the aforesaid Options may be exercised in full or in respect of 1,000 shares or a multiple thereof on the payment of the requisite subscription price within the respective exercisable periods of the aforesaid Options.

The new ordinary shares to be allotted upon the exercise of the Options shall rank *pari passu* in all respects with the existing issued and paid-up ordinary shares of the Company except that they shall not be entitled to any dividend or distribution which may be declared, made or paid prior to the date of exercise of the Options.

The share options granted and exercised during the financial year are as follows:

No. of options over ordinary shares of RM0.50 each

DATE OF OFFER	EXERCISE PRICE PER ORDINARY SHARE RM	BALANCE AS OF 1.4.2009	GRANTED	CANCELLED/ LAPSED	EXERCISED	BALANCE AS OF 31.3.2010
August 2, 2004	0.50	14,120,520	-	(3,739,000)	(64,000)	10,317,520
March 3, 2008	0.51	5,473,200	-	(362,400)	(94,000)	5,016,800
		19,593,720	-	(4,101,400)	(158,000)	15,334,320

Treasury Shares

The authority for the Company to purchase its own shares of up to 10% of the issued and paid-up share capital of the Company expired on September 15, 2008 and was not renewed. As of that date, the Company has repurchased a total of 1,442,700 of its own ordinary shares of RM0.50 each from the open market at an average price of RM0.63. The total consideration paid for the repurchase, including transaction costs, was RM913,913 and was financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

As of March 31, 2010, the number of outstanding ordinary shares in issue after the offset is therefore 122,718,780 ordinary shares of RM0.50 each.

22. RESERVES (ACCUMULATED LOSSES)

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Non distributable reserves:				
Share premium	196,256	195,316	196,256	195,316
Revaluation reserve	14,492,401	5,835,682	-	-
Currency translation reserve	1,104,656	726,174	-	-
	15,793,313	6,757,172	196,256	195,316
Distributable reserve:				
Retained earnings (Accumulated losses)	45,443,741	35,998,478	(44,703,703)	(44,780,934)
	61,237,054	42,755,650	(44,507,447)	(44,585,618)



Share premium

	The Group and The Company	
	2010 RM	2009 RM
At beginning of year	195,316	195,316
Shares issued at a premium	940	-
At end of year	196,256	195,316

The following share premium arose from the financial years 1998 to 2010:

	The Group and the Company	
	2010 RM	2009 RM
Issue of 40,000 ordinary shares of RM1 each at a premium of RM1.67 per ordinary share in 1998	66,800	66,800
Issue of 262,228 ordinary shares of RM1 each at a premium of about RM4.72 per ordinary share in 2001	1,236,657	1,236,657
Issue of 8,600,000 ordinary shares of RM0.50 each at a premium of RM0.15 per ordinary share in 2004	1,290,000	1,290,000
Exercise of share options of 111,000 ordinary shares of RM0.50 each at a premium of RM0.16 per ordinary share in 2005	17,760	17,760
Exercise of share options of 49,000 ordinary shares of RM0.50 each at a premium of RM0.16 per ordinary share in 2006	7,840	7,840
Exercise of share option of 94,000 ordinary shares of RM0.50 each at a premium of RM0.01 sen per ordinary share in 2010	940	-
	2,619,997	2,619,057
Bonus issue	(1,025,998)	(1,025,998)
Share issue expenses	(1,397,743)	(1,397,743)
	196,256	195,316

Revaluation reserve

	The Group	
	2010 RM	2009 RM
At beginning of year	5,835,682	4,572,651
Increase arising from revaluation of freehold land and buildings – net of deferred tax liability (Note 26)	8,656,719	1,263,031
At end of year	14,492,401	5,835,682

The revaluation reserve comprises net surplus on revalued properties, as described in the accounting policies.

Currency translation reserve

The exchange equalisation reserve arises on translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Retained earnings

In accordance with the Finance Act 2007, the single tier income tax system became effective from the year of assessment 2008. Under this system, tax on a company's profit is a final tax, and dividends paid are exempted from tax in the hands of the shareholders. Unlike the previous imputation system, the recipient of the dividend would no longer be able to claim any tax credit.

Companies without Section 108 tax credit balance will automatically move to the single tier tax system on January 1, 2008. However, companies with such tax credits are given an irrevocable option to elect for the single tier tax system and disregard the tax credit or to continue to use the tax credits under Section 108 account to frank the payment of cash dividends on ordinary shares for a period of 6 years ending December 31, 2013 or until the tax credits are fully utilised, whichever comes first. During the transitional period, any tax paid will not be added to the Section 108 account and any tax credits utilised will reduce the tax credit balance. All companies will be in the new system on January 1, 2014.

23. HIRE-PURCHASE PAYABLES

	The Group	
	2010 RM	2009 RM
Total outstanding	414,323	166,667
Less: Interest-in-suspense outstanding	(31,290)	(11,364)
Principal outstanding	383,033	155,303
Less: Amount due within 12 months (shown under current liabilities)	(185,398)	(109,198)
Non-current portion	197,635	46,105

The non-current portion is repayable as follows:

	The Group	
	2010 RM	2009 RM
Later than one year and not later than two years	175,497	-
Later than two years and not later than five years	22,138	46,105
	197,635	46,105

It is the Group's policy to acquire certain of their property, plant and equipment under hire-purchase arrangements. The average term for hire-purchase is about 3 to 5 years. For the financial year ended March 31, 2010, the effective borrowing rates for the Group range from 3.25% to 5.01% (2009: 4.55% to 6.20%) per annum. Interest rates are fixed at the inception of the hire-purchase arrangements.

The Group's hire-purchase payables are secured by the financial institutions' charge over the assets under hire-purchase.

24. FINANCE LEASE PAYABLES

	The Group			
	MINIMUM LEASE PAYMENTS		PRESENT VALUE OF MINIMUM LEASE PAYMENTS	
	2010 RM	2009 RM	2010 RM	2009 RM
Amounts payable under finance lease				
Within one year	33,879	36,831	34,175	69,598
In the second to fifth years	5,646	42,966	-	-
	39,525	79,797	34,175	69,598
Less: Future finance charges	(5,350)	(10,199)	N/A	N/A
Present value of lease payables	34,175	69,598	34,175	69,598
Less: Amount due within 12 months (shown under current liabilities)			(29,292)	(32,123)
			4,883	37,475

The non-current portion is repayable as follows:

	The Group	
	2010 RM	2009 RM
Later than one year and not later than two years	4,883	-
Later than two years and not later than five years	-	37,475
	4,883	37,475

It is the Group's policy to lease certain of its property, plant and equipment under finance lease. The range term for lease is 7 years (2009: 7 years). For the financial year ended March 31, 2010, the effective borrowing rate was 4.75% (2009: 4.75%) per annum. Interest rates are fixed at the inception of the finance lease arrangements. All finance leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payment.

25. BANK BORROWINGS

	The Group	
	2010 RM	2009 RM
Bankers' acceptances	44,459,062	29,577,679
Term loans	8,126,672	6,492,413
Bank overdrafts	1,880,891	2,334,900
	54,466,625	38,404,992
Less : Amount due within 12 months (shown under current liabilities)	(47,958,090)	(34,694,946)
	6,508,535	3,710,046

The non-current portion is repayable as follows:

	The Group	
	2010 RM	2009 RM
Later than one year and not later than two years	2,232,783	1,068,204
Later than two years and not later than five years	2,794,664	1,542,385
Later than five years	1,481,088	1,099,457
	6,508,535	3,710,046

The term loans are repayable as follows:

TERM LOAN	TOTAL NO. OF INSTALMENT	AMOUNT PER INSTALMENT (INCLUSIVE OF INTEREST)	COMMENCEMENT OF INSTALMENT
I	60 monthly instalments	RM60,114	August 2006
II	84 monthly instalments	RM65,623	May 2010
III	17 monthly instalments	USD7,786 (approximately RM25,484)	April 2010
IV	17 monthly instalments	USD27,653 (approximately RM90,508)	September 2009

The currency profile of bank borrowings of the Group are as follows:

	The Group	
	2010 RM	2009 RM
Ringgit Malaysia	41,058,903	32,080,330
Singapore Dollar	1,814,955	2,169,311
United States Dollar	3,325,493	2,117,828
Australian Dollar	8,267,274	2,037,523
	54,466,625	38,404,992

The effective interest rates paid were as follows:

	The Group	
	2010 %	2009 %
Term loans	3.35 - 6.80	2.44 - 7.75
Bank overdrafts	2.51 - 7.25	5.50 - 9.50
Bankers' acceptances	2.10 - 4.50	2.09 - 4.67
Trust receipts	4.25 - 5.50	5.50

The bankers' acceptances and trust receipts of the Group as of March 31, 2010 are repayable within 150 days (2009: 150 days).

The unsecured bank borrowings are guaranteed by the Company and irrevocable standby letter of credit from a local licensed bank.

26. DEFERRED TAX LIABILITIES

	The Group	
	2010 RM	2009 RM
At beginning of year	2,194,739	2,076,883
Transfer to income statements (Note 11)	(31,000)	(110,219)
Transfer from revaluation reserve (Note 22)	103,476	228,205
Currencies translation differences	-	(130)
At end of year	2,267,215	2,194,739

The deferred tax liabilities of the Group are in respect of the following:

	The Group Deferred Tax Liabilities (Assets)	
	2010 RM	2009 RM
Tax effects of:		
Temporary differences arising from:		
Property, plant and equipment	1,750,480	1,618,023
Revaluation reserve	627,539	660,716
Unrealised foreign exchanges differences	(4,544)	-
Allowance for slow moving inventories	(88,000)	(63,000)
Unutilised tax losses	(18,260)	(21,000)
	2,267,215	2,194,739

The unutilised tax losses, which are subject to agreement by the tax authorities, are available for offset against future chargeable income.

27. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. The credit period granted to the Group for trade purchases ranges from 7 days to 60 days (2009: 30 days to 45 days).

Other payables and accrued expenses consist of:

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Other payables	2,064,403	853,788	48	1,418
Accrued expenses	3,056,522	1,823,135	202,540	212,451
Deposit received	216,000	-	-	-
	5,336,925	2,676,923	202,588	213,869

The foreign currency exposure profile of trade and other receivables is as follows:

	The Group	
	2010 RM	2009 RM
Trade receivables:		
United States Dollar	1,194,066	751,369
Australian Dollar	523,748	486,608
Singapore Dollar	236,147	391,824
Vietnamese Dong	181,099	756,880
Euro	69,390	-
Other receivables:		
Australian Dollar	211,547	113,779
Singapore Dollar	89,542	123,542
Vietnamese Dong	43,320	57,664
Euro	1,872	-



28. DIVIDENDS

	The Group and The Company	
	2010 RM	2009 RM
Dividends paid:		
First interim dividend – 1.0 sen, less 25% tax for 2010 (2009 : Nil) per ordinary share	919,206	-
Second interim dividend – 1.0 sen, less 25% tax for 2010 (2009 : Nil) per ordinary share	919,206	-
Third interim dividend – 1.0 sen, less 25% tax for 2010 (2009 : Nil) per ordinary share	920,391	-
First and final dividend of 1.5 sen, tax exempt, for 2009 (2009: Final dividend of 1.5 sen, tax exempt, for 2008) per ordinary share	1,838,412	1,838,412
	4,597,215	1,838,412

The directors have proposed a final dividend of 1.0 sen per ordinary share, less 25 % tax, amounting to RM920,391 in respect of the current financial year. The proposed final dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements.

Dividend per share is 3.0 sen (2009: 1.5 sen).

29. CASH AND CASH EQUIVALENTS

(a) Purchase of property, plant and equipment

During the financial year, property, plant and equipment were acquired by the following means:

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Cash payment	4,935,960	7,822,312	3,447	-
Amount financed under hire-purchase	420,000	-	-	-
Amount included in other payable	478,386	509,635	-	-
	5,834,346	8,331,947	3,447	-

(b) Cash and cash equivalents comprise the following:

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Fixed deposits placed with licensed banks	8,550,000	5,300,000	5,880,000	4,300,000
Cash on hand and at banks	7,211,658	3,927,950	53,379	38,503
Bank overdrafts	(1,880,891)	(2,334,900)	-	-
	13,880,767	6,893,050	5,933,379	4,338,503

30. FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

The operations of the Group and of the Company are subject to a variety of financial risks, including foreign currency risk, interest rate risk, market risk, credit risk, liquidity risk and cash flow risk. The Group and the Company have formulated a financial risk management framework whose principal objective is to minimise the Group's and the Company's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and the Company.

Various risk management policies are approved by the Board for observation in the day-to-day operations for the controlling and management of the risks associated with financial instruments.

(i) Foreign currency risk

The Group maintains multi-currency accounts in the normal course of business and hedges the matching assets and liabilities in the same currency to manage its exposure against foreign currency fluctuations on sales and purchases transactions denominated in foreign currencies.

(ii) Interest rate risk

The Group enters into various interest rate risk management transactions for the purpose of reducing net interest costs and to achieve interest rates within predictable, desired ranges.

(iii) Market risk

The Group manages its exposure to fluctuation in the prices of key raw materials used in the operations and trading merchandise sold by way of negotiation for the purchasing terms centrally by the Group to achieve efficiency and pricing objective and ensures a large number of suppliers so as to limit high concentration of risk in a particular supplier.

(iv) Credit risk

The Group and the Company are exposed to credit risk mainly from trade receivables and cash and bank balances.

The Group and the Company extend credit to its customers based upon careful evaluation of the customer's financial condition and credit history. The Group and the Company also ensure a large number of customers so as to limit high credit concentration in a customer or customer from a particular market.

Management believes that the Group's and the Company's exposure on credit risk of bank balances is limited as it is placed with credit worthy financial institutions.

(v) Liquidity risk

The Group and the Company practise prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

(vi) Cash flow risk

The Group and the Company review their cash flow position regularly to manage their exposure to fluctuations in future cash flows associated with their monetary financial instruments.

Financial Instruments

The Group's and the Company's principal financial assets are cash and bank balances, trade and other receivables and amount owing to subsidiary companies.

The Group's and the Company's significant financial liabilities include trade and other payables, amount owing to subsidiary companies, hire-purchase payables, finance lease payables and bank borrowings, which are stated at their nominal values.

The accounting policies applicable to the major financial assets and liabilities are as disclosed in Note 3.

Fair Values

Cash and cash equivalents, trade and other receivables, inter-company indebtedness, trade and other payables, amounts owing to directors and shareholders and bank borrowings

The fair values of these financial instruments approximate their carrying amounts due to the short maturities of these instruments.

Term loans, hire-purchase payables and finance lease payables

The fair values of these financial instruments approximate their carrying amounts. The fair values of term loans,

hire-purchase payables and finance lease payables are estimated using discounted cash flows analysis based on current borrowing rates for similar types of borrowing arrangements.

31. CONTINGENT LIABILITIES

As of March 31, 2010, the Company is contingently liable for the following:

	The Company	
	2010 RM	2009 RM
Corporate guarantees given to licensed banks, financial institutions and third parties for credit facilities granted to subsidiary companies:		
Unsecured - to the extent of RM223,233,788 (2009: RM177,937,000)	59,835,046	40,123,213

It is not practicable to estimate the fair value of contingent liabilities reliably due to the uncertainties of timing, costs and eventual outcome.

32. CAPITAL COMMITMENTS

As of March 31, 2010, the Group has the following capital commitments:

	The Company	
	2010 RM	2009 RM
Contracted but not provided for:		
Construction of factory buildings	-	2,565,000

33. SUBSEQUENT EVENTS

As approved by the directors in a Directors' Circular Resolution passed on April 28, 2010, the issued and paid-up ordinary share capital of the Company was increased from RM62,080,740 to RM62,088,240 by way of an issue of 15,000 new ordinary shares of RM0.50 each for cash pursuant to the Employees' Share Option Scheme ("ESOS").

34. COMPARATIVE FIGURES

Certain comparative figures in the cash flow statements have been restated to conform with current year's presentation as follows:

	The Group		The Company	
	AS PREVIOUSLY REPORTED RM	AS RESTATED RM	AS PREVIOUSLY REPORTED RM	AS RESTATED RM
Cash Flows From Operating Activities				
Finance cost	2,531,003	2,388,816	-	-
Income tax paid	-	-	643,030	143,030
Cash Flows From Investing Activities				
Dividends received	-	-	3,158,500	2,658,500
Cash Flows From Financing Activities				
Interest paid on bankers' acceptances, term loan and hire-purchase	2,242,497	2,100,310	-	-

DOMINANT ENTERPRISE BERHAD
(Incorporated in Malaysia)
STATEMENT BY DIRECTORS

The directors of **DOMINANT ENTERPRISE BERHAD** state that, in their opinion, the accompanying balance sheets and the related income statements, statements of changes in equity and cash flow statements are drawn up in accordance with the provision of the Companies Act, 1965 and the Financial Reporting Standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as of March 31, 2010 and of the results of their businesses and the cash flows of the Group and of the Company for the year ended on that date.

Signed in accordance with
a resolution of the Directors,

CHA AKU WAI @
SIA AH KOW

TEO AH BAH @
TEO CHUANG KWEE

Johor Bahru
July 21, 2010

**DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE
FOR THE FINANCIAL MANAGEMENT OF THE COMPANY**

I, CHA AKU WAI @ SIA AH KOW, the director primarily responsible for the financial management of DOMINANT ENTERPRISE BERHAD, do solemnly and sincerely declare that the accompanying balance sheets and the related income statements, statements of changes in equity and cash flow statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed CHA AKU WAI @)
SIA AH KOW at JOHOR BAHRU in)
the State of JOHOR on July 21, 2010)

Before me,

COMMISSIONER FOR OATHS

Authorised Capital	: RM 100,000,000
Issued and Paid-up Capital	: RM 62,088,240
Class of Shares	: Ordinary Shares of RM 0.50 each
Voting Rights	: One vote per ordinary share

SIZE OF SHAREHOLDINGS

SIZE OF HOLDINGS			NO. OF HOLDERS	%	NO. OF SHARES	%
1	-	99	58	3.360	2,660	0.002
100	-	1,000	333	19.293	110,940	0.091
1,001	-	10,000	902	52.260	3,858,734	3.144
10,001	-	100,000	366	21.205	10,190,985	8.303
100,001	-	6,136,688*	66	3.824	46,707,681	38.056
6,136,689	AND ABOVE **		1	0.058	61,862,780	50.404
TOTAL :			1,726	100.00	*** 122,733,780	100.00

REMARK :

- * LESS THAN 5% OF ISSUED SHARES
- ** 5% AND ABOVE OF ISSUED SHARES
- *** EXCLUDES TREASURY SHARES OF 1,442,700

DIRECTORS' SHAREHOLDINGS

NAME	DIRECT		INDIRECT	
	NO. OF SHARE HELD	%	NO. OF SHARE HELD	%
TEO AH BAH @ TEO CHUANG KWEE	841,865	0.69	* 995,926	0.81
CHA AKU WAI @ SIA AH KOW	1,147,584	0.94	** 62,371,618	50.81
KUAH KWAI YOKE @ KUAH BOO CHENG	181,976	0.15	-	-
CHAI SOON TOO	162,489	0.13	-	-
OWEE GEOK CHOON	28,253	0.02	*** 42,000	0.03
HJ MOHD KHALID BIN IDRIS	-	-	-	-
TAN MENG POO	29,400	0.02	-	-
JOHNSON KANDASAMY A/L DAVID NAGAPPAN	-	-	-	-

- * Deemed interest through his spouse, Chung Ek Fong.
- ** Deemed interest by virtue of his interest in NS Pacific Sdn Bhd and through his spouse, Teo Chiew Peng.
- *** Deemed interest through his spouse, Chua Yew Yew.



SUBSTANTIAL SHAREHOLDERS WITH HOLDINGS OF 5% AND ABOVE

NAME	DIRECT		INDIRECT	
	NO. OF SHARE HELD	%	NO. OF SHARE HELD	%
NS PACIFIC SDN BHD	61,862,780	50.40	-	-
CHA AKU WAI @ SIA AH KOW	1,147,584	0.94	* 62,371,618	50.81
TEO CHIEW PENG	508,838	0.41	** 63,010,364	51.34

* Deemed interest by virtue of his interest in NS Pacific Sdn Bhd and through his spouse, Teo Chiew Peng.

** Deemed interest through her spouse, Cha Aku Wai @ Sia Ah Kow.

THIRTY LARGEST SHAREHOLDERS

NAME	NO. OF SHARE HELD	%
1 NS PACIFIC SDN BHD	61,862,780	50.40
2 TAMAN BUNGA MERLIMAU SDN. BHD.	5,675,500	4.62
3 CHA SHI JIU	4,014,024	3.27
4 ASIA SELATAN (M) SDN. BHD.	3,578,700	2.92
5 LAU AH LEK @ LAU BENG HOCK	2,936,800	2.39
6 CHUA SU BOI @ CHUA SIEW LIAN	2,668,400	2.17
7 AMSEC NOMINEES (TEMPATAN) SDN BHD TEO CHOON KIAT @ TEO CHUAN KIT	2,492,861	2.03
8 LOW CHWEE TIAN	2,199,589	1.79
9 TAN AH SIM @ TAN SIEW WAH	1,994,785	1.58
10 TEO AH MOI @ TEO TIANG TIANG	1,231,400	1.00
11 RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOONG FOONG MING	1,184,920	0.97
12 CHA AKU WAI @ SIA AH KOW	1,147,584	0.94
13 WALDERSEE CHAN CHUNG CHING	1,000,000	0.81
14 AMSEC NOMINEES (TEMPATAN) SDN BHD CHUNG EK FONG	995,926	0.81
15 ONG TENG SER	880,479	0.72
16 TEO AH BAH @ TEO CHUANG KWEE	841,865	0.69
17 TAN HON KIAT @ TAN HOON SIONG	668,864	0.54
18 KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH YUET YING @ TEH SWEE ING	667,600	0.54
19 TEO YING YING	616,203	0.50
20 LEE HONG LOK CONNAUGHT	550,000	0.45
21 TEO CHIEW PENG	508,838	0.41
22 BIOTECH FIBRE MARKETING SDN. BHD.	475,700	0.39
23 TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OH KIM SUN	448,460	0.37
24 TEE AH TA @ TEE SIN YONG	421,080	0.34
25 CHOO SHIANG SZE	421,000	0.34
26 CHOO XIANGMIN	417,702	0.34
27 SENG FUNG FERN	384,740	0.31
28 NG TENG SONG	379,100	0.31
29 TAN SIANG LIM	355,500	0.29
30 KOO MEE LING	334,600	0.27



No	Address	Built-up area (sq.m)	Land area (sq.m)	Description / Existing Use	Tenure	Age of building (years)	Audited Net Book Value as at 31 March 2010 RM	Date of revaluation	Date of Acquisition
1	Lot 37602, Geran 74521 Mukim of Tebrau, District of Johor Bahru, State of Johor	1,335.0	2,485.0	Single storey detached factory building with double storey office annex	Freehold	14	2,319,874	20.04.2008	15.02.1995
2	Lot PT 348, HS(D) 26394 Mukim of 13 District of Seberang Perai Tengah, Pulau Pinang	2,017.4	4,049.0	Single storey detached factory building with double storey office annex	Leasehold 99 years expiring on 24.8.2097	13	2,470,159	05.05.2008	17.06.1995
3	Lot P.T 43314 HS(D) 128747 Mukim and District of Petaling, State of Selangor	2,295.3	4,047.0	Single storey detached factory building with double storey office annex	Freehold	12	4,300,000	22.04.2008	11.03.1996
4	Lot MK 7-3134M 22, Tuas View Square Singapore 637603	1,520.6	2,166.0	Single storey detached factory with three storey ancillary office	Leasehold 60 years expiring on 29.10.2056	9	# 6,539,120	02.04.2009	12.03.1999
5	Lot MLO 5502, HS(D) 34056, Mukim of Senai, District of KulaiJaya, State of Johor	4,337.0	10,421.0	Single storey detached factory with double storey office annexed	Freehold	18	4,723,942	17.04.2008	21.12.1999
6	Lot PTD 41088, HS(D) 22974, Mukim of Senai, District of KulaiJaya, State of Johor"	3,530.8	8,317.3	Single storey detached factory with double storey office annexed	Freehold	14	4,241,829	17.04.2008	25.09.2002
7	Lots 1439 of Section 66, District of Kuching, Town Land District, State of Sarawak	1,122.4	1,310.0	Double Storey semi-detached office cum industrial building	Leasehold 60 years expiring on 05.03.2041	N/A	658,771	25.04.2008	17.01.2005
8	Lots 2246 of Section 66, District of Kuching, Town Land District, State of Sarawak	562.6	774.6	Double Storey semi-detached office cum industrial building	Leasehold 60 years expiring on 25.10.2055	N/A	476,030	25.04.2008	17.01.2005
9	Lot 60323, PN 6413, Mukim of Kuala Kuantan, District of Kuantan, State of Pahang	614.1	975.0	1 1/2 storey semi detached factory	Leasehold 99 years expiring on 29.03.2097	12	372,165	30.04.2008	26.01.2005
10	Lot PTD 2805, HSM 1307, Mukim of Sungai Terap, District of Muar, State of Johor	7,310.6	11,759.1	Three units factory and One unit double storey office block	Freehold	4	6,000,000	15.04.2008	25.01.2006
11	Lot 42, Geran 214, Mukim Tebrau, District of Johor Bahru, State of Johor	N/A	12,115.0	One parcel of agricultural land	Freehold	N/A	2,262,829	02.04.2010	26.01.2006
12	Lot 93, Geran 216, Mukim Tebrau, District of Johor Bahru, State of Johor		37,686.0	One parcel of agricultural land			7,038,959	02.04.2010	
13	Lot PTD 151382, HS(M) 3715, Mukim of Tebrau, District of Johor Bahru, State of Johor		10,631.5	One parcel of industrial land			1,985,743	02.04.2010	
14	Lot PTD 151383, HS(M) 3716, Mukim of Tebrau, District of Johor Bahru, State of Johor		11,713.4	16,187.4			Single storey detached factory building with double storey office annex	<1	
15	No.3, Street 6, KCN VSIP II, Ben Cat District, Binh Duong Province, Vietnam	3,731.0	13,428.0	Single storey detached factory building with double storey office annex	Leasehold 50 years expiring on 30.11.2055	1	* 2,588,396	N/A	23.01.2007

equivalent to Singapore Dollar 2.80 million

* equivalent to Vietnam Dong 15.05 billion

DOMINANT ENTERPRISE BERHAD
(Company No. 221206-D)
(Incorporated in Malaysia under the Companies Act, 1965)
PROXY FORM

I/We.....
of.....
being a member/members of **DOMINANT ENTERPRISE BERHAD**, hereby appoint

of.....
or failing him/her

of.....
or failing him/her/them, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Eighteenth Annual General Meeting of the Company to be held at Sri Ledang Hall, 2nd Floor, Mutiara Johor Bahru, Jalan Dato Sulaiman, Taman Century, 80250 Johor Bahru, Johor Darul Takzim, Malaysia on Monday, 20 September 2010 at 10.00 a.m. and any adjournment thereof.

Item	Agenda	RESOLUTION	*FOR	*AGAINST
1.	To receive Audited Financial Statements and Reports			
ORDINARY BUSINESS				
2.	Approval of Final Dividend	1		
3.	Approval of Directors' Fee	2		
4.	Re-election of Directors : i. Cha Aku Wai @ Sia Ah Kow ii. Hj. Mohd Khalid Bin Idris iii. Tan Meng Poo	3 4 5		
5.	Re-appointment of Auditors	6		
SPECIAL BUSINESS				
6.	ORDINARY RESOLUTION 1 Authority to Directors to issue shares pursuant to Section 132 of the Companies Act, 1965	7		
7.	ORDINARY RESOLUTION 2 Proposed authorisation to enable Dominant Enterprise Berhad to purchase up to 10% of the issued and paid-up capital share capital of the Company pursuant to Section 67A of the Companies Act, 1965	8		
8.	SPECIAL RESOLUTION Proposed Amendment to the Articles of Association of the Company	9		

(*Please indicate with an "X" in the space provided and to show how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion).

Dated this.....day of.....2010

Signed

No. of Ordinary Shares Held

NOTES

- A member of the Company entitled to attend and vote at the meeting may appoint a proxy or proxies (but not more than two) to attend and vote in his/her stead. A proxy may but need not be a member of the Company.
- Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her holding to be represented by each proxy.
- A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 is allowed to appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- The instrument appointing a proxy, in the case of an individual shall be signed by the appointor or his/her attorney duly authorised in writing and in the case of a corporation, either under seal or under the hand of an officer duly authorised. If no name is inserted in the space for the name of your proxy, the Chairman of the Meeting will act as your proxy.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company situated at Suite 1301, 13th Floor, Jalan Tebrau, 80300 Johor Bahru, Johor Darul Takzim, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

Fold this flap for sealing

AFFIX
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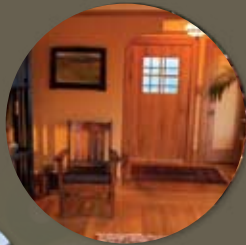
DOMINANT ENTERPRISE BERHAD

(Company No. 221206-D)

Registered Office:
Suite 1301, 13th Floor,
City Plaza, Jalan Tebrau
80300 Johor Bahru
Johor Darul Takzim
Malaysia

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Dominant
Enterprise Berhad
(221206-D)

PTD 151383, Jalan Kempas Lama,
Kawasan Perindustrian Kg. Maju Jaya,
Mukim Tebrau, 81300 Skudai, Johor, Malaysia.

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