Dominant Enterprise Berhad (221206-D)

Dominant
Enterprise Berhad

annual report 2005

sharing our
Growth

Our Dominant Genes... A Tribute

In his study of inheritance traits in pea plants, Gregor Mendel, the father of genetics, discovered that a dominant genetic make-up would always be fully expressed in an organism's appearance. As a tribute to Mendel for his revolutionary scientific contributions, we would like to dedicate this inner page to him.

It is our hope and vision that our company's values would always remain as part of our dominant genetic structure even as we strive for better performance and standards.

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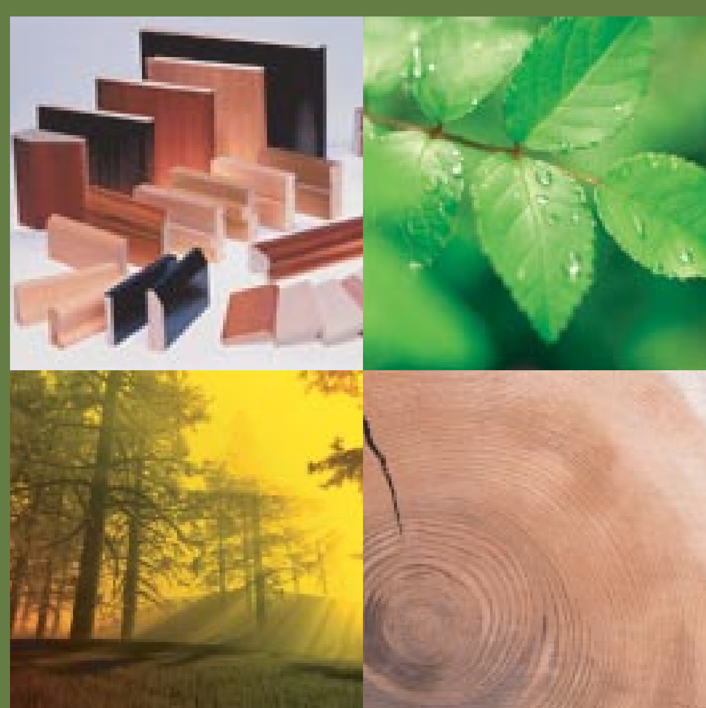
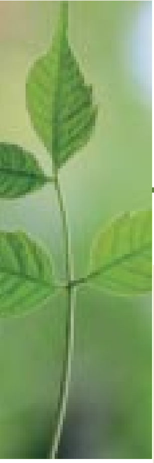




Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirteenth Annual General Meeting of DOMINANT ENTERPRISE BERHAD will be held at **Pulai Springs Resort, Dewan Inderaputera, 20km, Jalan Pontian Lama, Pulai, Johor,** on **Monday, 05 September 2005** at **10.00a.m.** for the following purposes:-

	Resolution on Proxy Form
1. To receive and consider the Audited Financial Statements for the year ended 31 March 2005 and the Reports of the Directors and Auditors thereon.	(Resolution 1)
2. To declare a first and final tax exempt dividend of 2.5 sen per share in respect of the year ended 31 March 2005.	(Resolution 2)
3. To approve the payment of Directors' fees of RM95,667 for the year ended 31 March 2005.	(Resolution 3)
4. To re-elect the following Directors who retire pursuant to the Company's Article of Association :-	
a) Hj Mohd Khalid Bin Idris - Article 84	(Resolution 4)
b) Mr. Tan Meng Poo - Article 84	(Resolution 5)
c) Mr. Johnson Kandasamy A/L David Nagappan - Article 91	(Resolution 6)
5. To re-appoint Messrs. Deloitte KassimChan as Auditors of the Company and to authorise the Directors to fix their remuneration.	(Resolution 7)

6. **SPECIAL BUSINESS**
   To consider and if thought fit, to pass the following Ordinary Resolution, with or without modifications:

   ORDINARY RESOLUTION :
   AUTHORITY PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

   "THAT subject always to the Companies Act, 1965, Articles of Association of the Company and approvals of the relevant governmental / regulatory authorities, pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue and allot shares in the Company from time to time at such price, upon such terms and conditions for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10 percent of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." (Resolution 8)

7. 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 first and final tax exempt dividend of 2.5 sen per share in respect of the financial year ended 31 March 2005, if approved, will be paid on **12 September 2005** to depositors registered in the Record of Depositors at the close of business on **06 September 2005.**

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

(a) Shares transferred into the Depositor's Securities Account before 4.00p.m. on 06 September 2005 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
YONG MAY LI (f)
Company Secretary

Johor Bahru,
12 August 2005

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. 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.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company situated at No. 19 Jalan Tun Abdul Razak, Susur 1/1, 80000 Johor Bahru, Johor Darul Takzim, Malaysia, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
5. Explanatory Notes on Special Business

   Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

   The Ordinary Resolution proposed under item 6, if passed, will empower the Directors of the Company, from the date of the above Annual General Meeting, to issue and allot ordinary shares from unissued share capital of the Company up to an aggregate amount not exceeding ten per cent (10%) of the total issued share capital of the Company for such purposes as the Directors in their absolute discretion consider to be in the interest of the Company, without having to convene a general meeting. This authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

Statement Accompanying Notice of Annual General Meeting

1. The 13th Annual General Meeting ("AGM") of Dominant Enterprise Berhad will be held at **Pulai Springs Resort, Dewan Inderaputera, 20km, Jalan Pontian Lama, Pulai, Johor,** on **Monday, 05 September 2005** at **10.00a.m.**

2. The Directors who are standing for re-election at the 13th Annual General Meeting of Dominant Enterprise Berhad are :

   i. Retiring under Article 84 of the Company's Articles of Association :
   - **Hj Mohd Khalid Bin Idris**
   - **Mr. Tan Meng Poo**

   ii. Retiring under Article 91 of the Company's Articles of Association :
   - **Mr. Johnson Kandasamy A/L David Nagappan**

3. Further details of Directors standing for re-election are set out on page 8 of this Annual Report.

Corporate Information

Board of Directors

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

Principal Bankers

Affin Bank Berhad
Citibank Berhad
EON Bank Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
RHB Bank Berhad

Company Secretary

Yong May Li (LS No.000295)

Share Registrar

PFA Registration Services Sdn Bhd (19234-W)
Level 13, Uptown 1, 1, Jalan SS 21/58,
Damansara Uptown,
47400 Petaling Jaya, Selangor.
Tel : 603 – 7725 4888
Fax : 603 – 7722 2311

Auditor

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

Registered Office

19, Jalan Tun Abdul Razak, Susur 1/1,
80000 Johor Bahru, Johor.
Tel : 607 – 222 5905
Fax : 607 – 221 7608

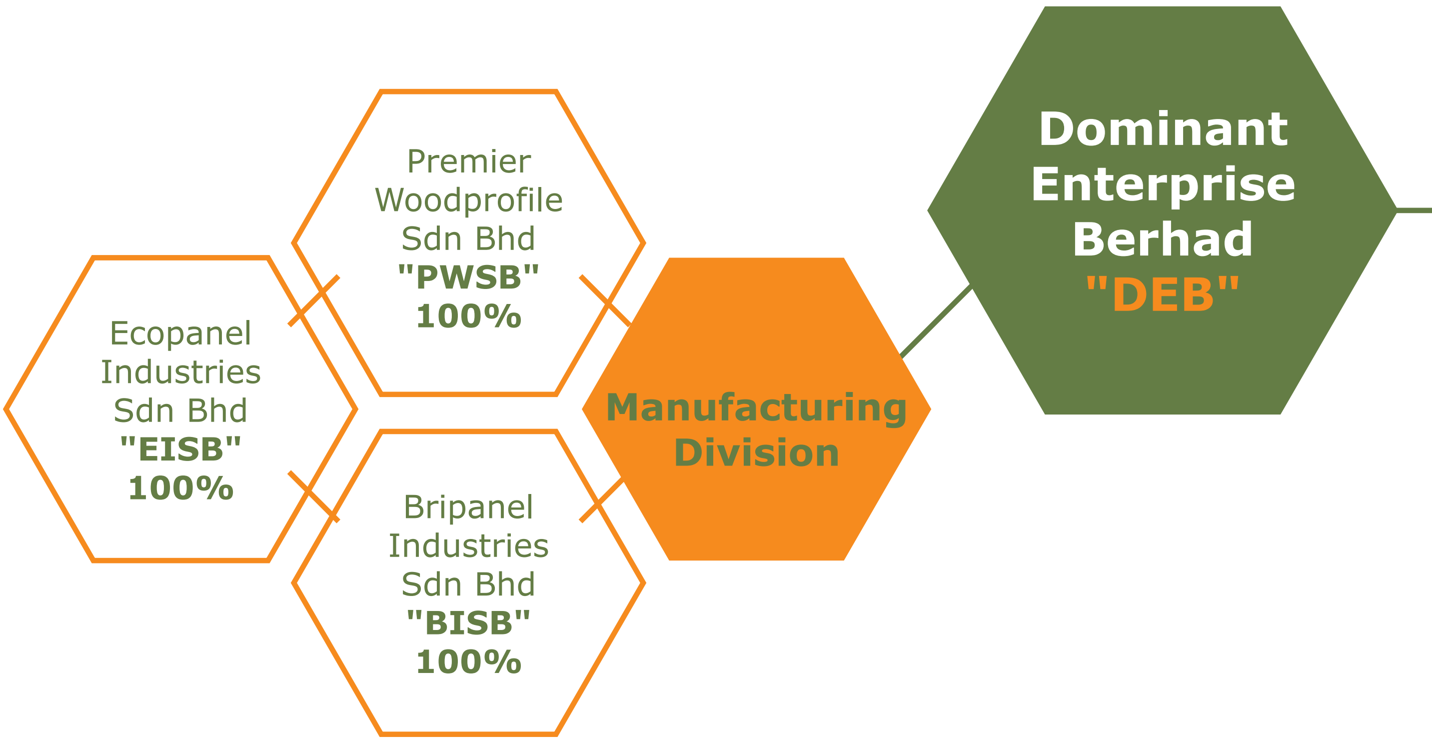
Head Office

18, Jalan Belati 1, Off Jalan Kempas Lama,
Taman Perindustrian Maju Jaya,
81330 Skudai, Johor.
Tel : 607 – 558 8318 Fax : 607 – 554 3720
email : debgroup@dominant.com.my
website : www.dominant.com.my

Stock Exchange

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

Corporate Structure



Distribution Division

Akati Impex Pte Ltd **"AIPL"** **100%**

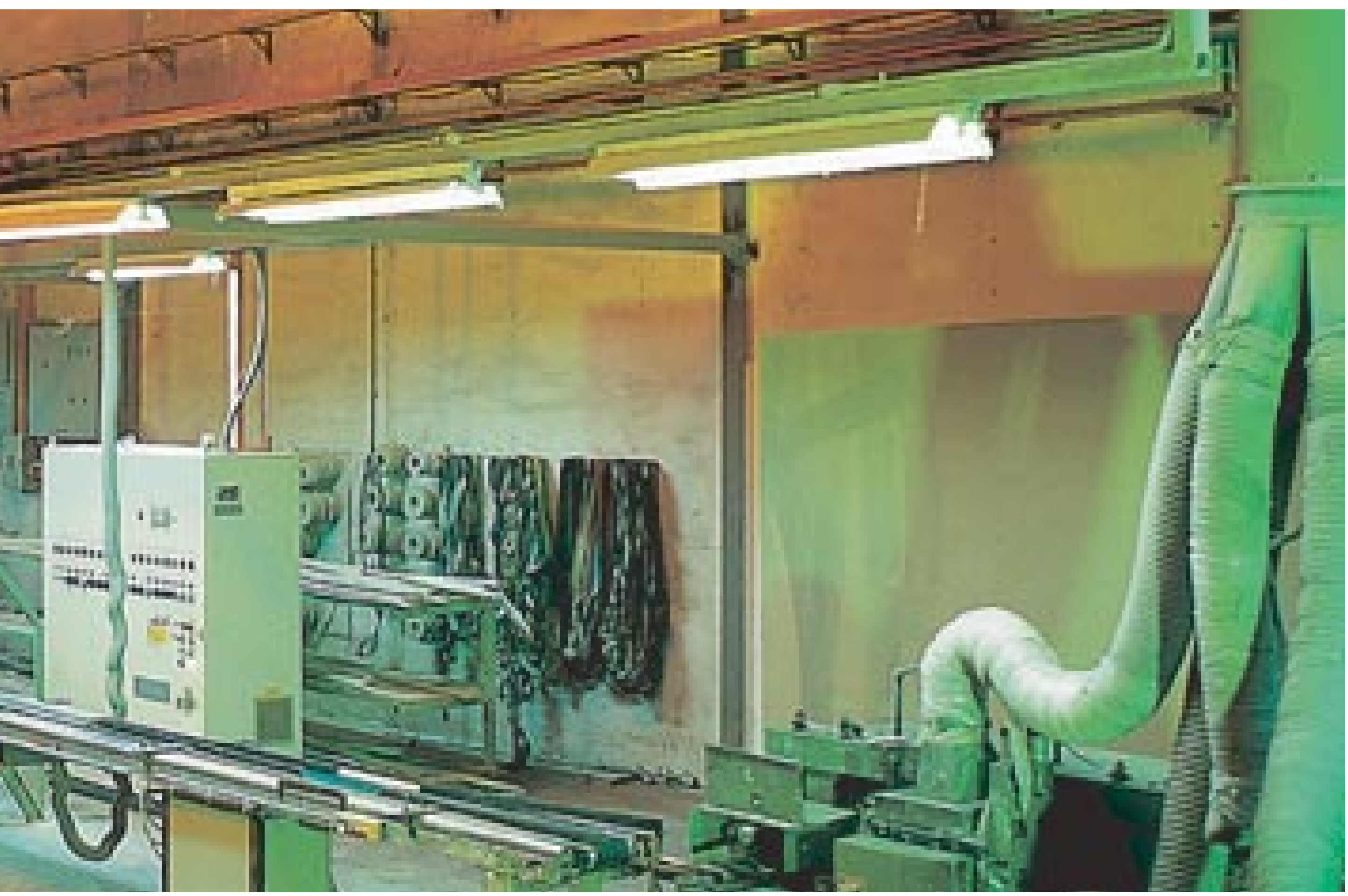
Kim Guan Impex Sdn Bhd **"KGISB"** **70%**

Ikta Sdn Bhd **"ISB"** **100%**

Combi Trading Sdn Bhd **"CTSB"** **100%**

Green Panel Pty Ltd **"GPPL"** **100%**

Jurihan Sdn Bhd **"JSB"** **100%**



Directors' Profile

Teo Ah Bah @ Teo Chuang Kwee - Non Executive Chairman

Teo Ah Bah @ Teo Chuang Kwee, aged 57, is one of the founders of the Dominant Group and was appointed as the Executive Chairman of Dominant on 17 December 1993. He graduated with a Bachelor of Science degree in Applied Chemistry from the University of Singapore in 1974. He has successfully set up many start-up companies including property development and construction companies. Upon graduation, he joined his family company, Ayer Hitam Sawmill Co Sdn Bhd which is involved in timber logging, sawmilling and distribution to both the domestic and export markets. From 1981 to 2000, he served as the Managing Director of Pek Lim Sdn Bhd, a housing development company. Since 2004, he became the Managing Director of Gromutual Berhad which is involved mainly in property development. He is also a director of several private companies which are involved in a wide range of business from sawmilling, plantation, to construction. With effect from 12 November 2004, he was redesignated from Executive Chairman to his current position. During the financial year of 2005, he attended all four (4) Board meetings.

Cha Aku Wai @ Sia Ah Kow - Managing Director

Cha Aku Wai @ Sia Ah Kow, aged 54, 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. During the financial year of 2005, he attended all four (4) Board meetings.

Kuah Kwai Yoke @ Kuah Boo Cheng - Director

Kuah Kwai Yoke @ Kuah Boo Cheng, aged 51, 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 recently being appointed as the director of GPPL. During the financial year of 2005, he attended all four (4) Board meetings.

Chai Soon Too - Director

Chai Soon Too, aged 44, 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 also recently appointed as the director of EISB and KGISB. During the financial year of 2005, he attended all four (4) Board meetings.

Owee Geok Choon - Director

Owee Geok Choon, aged 34, was appointed as the Director of Dominant on 18 April 2003. He is also the Director and General Manager of CTSB and BISB. 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. He was recently being appointed as the director of GPPL. During the financial year of 2005, he attended all four (4) Board meetings.

Tan Meng Poo - Independent Non-Executive Director

Tan Meng Poo, aged 44, 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. After his graduation, he joined Liew & Co as a legal assistant for a year, and later Abdul Raman Saad & Associates. He subsequently became a partner of the firm. He joined Allen & Gledhill as a partner in their Johor Bahru office in 1994. Since 2001, he joined Law & Partner as a partner of the firm. During the financial year of 2005, he attended all four (4) Board meetings.

HJ Mohd Khalid Bin Idris - Independent Non-Executive Director

Hj Mohd Khalid Bin Idris, aged 61, 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. During the financial year of 2005, he attended all four (4) Board meetings.

Johnson Kandasamy A/L David Nagappan

- Independent Non-Executive Director

Johnson Kandasamy A/L David Nagappan, aged 44, 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. In 1984, he joined another local accounting firm as an audit assistant and remained there until 1991. In 1991 he took up position of audit semi-senior with Yeo & Associates, Johor Bahru and subsequently became a partner of the firm. He established his own firm, JK David & Co. in 2002. He is a chartered member of the Malaysian Institute of Accountants, a Fellow of the Association of Chartered Certified Accountants, an associate of the Malaysian Institute of Taxation and also a Certified Financial Planner. During the financial year of 2005, he attended two (2) Board meetings.

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

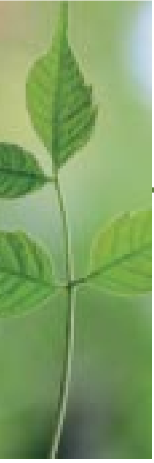
None of the directors has any conflict of interest with the Company.

Conviction of Offence

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

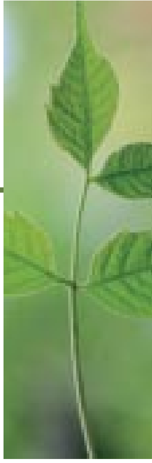
Securities Holdings

The particulars of the directors' shareholdings are set out in page 61 of this Annual Report.



Chairman's Statement

The financial year ending 31 March 2005 was another fruitful year for Dominant Enterprise Berhad ("Dominant" or "the Group"). Despite the difficult local construction sector and weak market sentiment compounded by rising global oil prices, our Group had continued to perform above our expectations. This achievement is no less attributed to the sheer hard work and tireless effort of our employees. It is therefore, with much enthusiasm that, on behalf of the Board of Directors of Dominant, I present to you our Annual Report and the Audited Financial Statements of the Group for the financial year ended 31 March 2005.



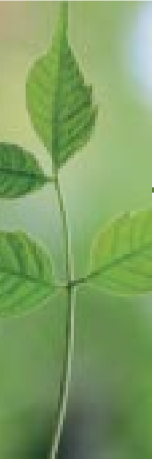
Financial Performance

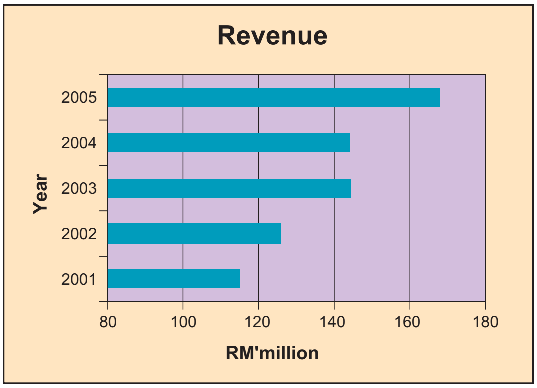
For the financial year ended 31 March 2005, the Group increased its profit before tax ("PBT") from RM 10.49 million to RM 11.65 million on the back of a revenue of RM 167.51 million. This represents a PBT increase of 11.0%. Dominant has two major areas of businesses. Our manufacturing division produces medium density fiberboard ("MDF") mouldings, furniture components as well as laminated wood panels. Our distribution arm, on the other hand, distributes all types of wood panel products such as MDF, particleboard and plywood as well as building materials.

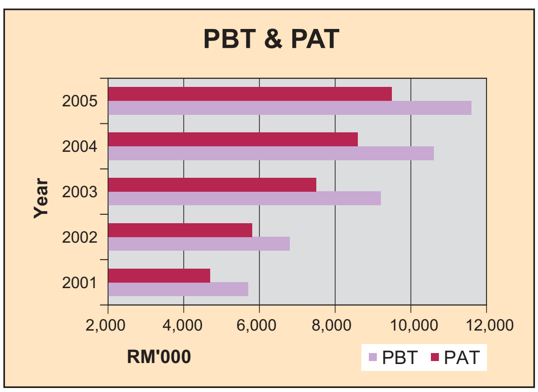
Our manufacturing business registered a PBT of RM 6.62 million and this was achieved with a minimal investment of an additional moulding machine costing a mere RM 320,000 as well as further efficiencies in our production techniques. The previous year also marked our first shipments into new countries such as Iran and South Africa. Apart from our existing major markets in Europe, USA and Australasia, our sales team will explore new market opportunities in other parts of the world such as the Middle East, North Asia and South Asia. We have also confirmed participation in the Big 5 exhibition in Dubai, UAE, the largest trade show in the Arabian Gulf for the Middle Eastern construction industry.

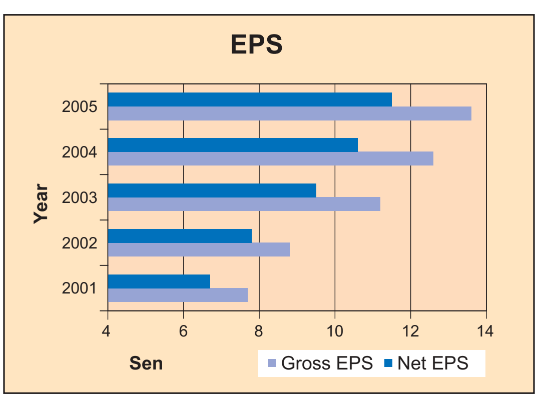
Our distribution division also performed admirably and reported a PBT of RM 4.99 million. This increase is attributed to increased sales of our dedicated sales team as well as continuous support from our suppliers. Our position as a one-stop supplier coupled with our ability to always supply a wide range of wood panel products on time and reliably has enabled us to further penetrate into the wood panel market and thereby increase our market share.

Dominant Group's
environmentally friendly products have been gaining wider and wider acceptance in both local and overseas market









Rewarding Our Shareholders & Sharing Our Growth

It is my pleasure to declare that the Board has recommended a first and final tax exempt dividend of 2.5 sen per share, subject to our supportive shareholder's approval at our forthcoming Annual General Meeting.

It is also with much delight that we have proposed a Bonus issue in the proportion of two (2) new bonus shares for every five (5) shares held by our shareholders. If successful, we hope to follow this up with a transfer of our listing status from the Second Board to the Main Board of Bursa Malaysia Securities Berhad ("the Transfer"). When combined, these two corporate exercises would serve to reward you, our shareholders, for your continuous support as well as increase the liquidity of our shares in the market. Furthermore, the completion of the Transfer will better reflect the current stature of the Group's operations and accord Dominant with greater recognition and acceptance among investors. The Transfer is also expected to enhance Dominant's prestige and the confidence of our customers, suppliers, employees as well as bankers.

Utilisation of Proceeds from Initial Public Offering

The proceeds raised from the Public Issue have been fully utilized as follow :-

	RM'000	%
Purchase of plant and machinery	320	5.7
Part-finance of the purchase of a factory cum warehouse	2,590	46.4
Payment of listing expenses	1,398	25.0
Working Capital	1,282	22.9
	5,590	100.0

Other Corporate Developments

During the year under review, Dominant implemented an Employee Share Option Scheme for eligible employees and directors of the Group as a means of motivating them towards better performance. At the time of writing, Dominant has offered a substantial portion of the said shares to our deserving employees and this measure has helped to inculcate greater loyalty and a sense of belonging among our employees.

On the business expansion front, the Group had earlier this year acquired two (2) pieces of adjoining freehold land measuring 11,896 square metre in total in Muar, Johor. With the acquisition, the Group has immediately embarked upon the construction of a new factory which should be completed by the end of the year. Once completed, we would relocate our nearby factory into this new facility. At the same time, the Group would be investing in and installing a set of new wood panel lamination machine that would help us penetrate into the higher end furniture market locally as well as for export.

Almost simultaneously, in order to cater for customers based in northern Peninsula Malaysia, the Group is also setting up a new but similar wood panel lamination operation in our present factory in Butterworth, Malaysia under a new wholly owned subsidiary, Ecopanel Industries Sdn Bhd. When combined with our present distribution network, this offers an immense synergy that adds up to more than the sum of the two parts. As a one-stop shop now, we are now not only able to reach out to new customers but also better serve our present clientele with a wider range of products that command a better profit margin. With these expansions, we expect our laminated wood panel manufacturing business to contribute in a meaningful way to our earnings by the end of the year.

In November 2004, Dominant also purchased a 70% stake in Kim Guan Impex Sdn Bhd (“KGISB”) which is based in Kuching, Sarawak. With this investment, Dominant’s distribution business is now extended to East Malaysia. For the financial year ending 31 March 2005, KGISB is already contributing to our bottomline and will continue to do so significantly in the future.

To further expand our distribution business, Dominant had also set up a new representative office in Ho Chi Ming City, Vietnam as a contact and service inquiry centre. From this office, the Group hopes to penetrate further into the Vietnamese market and better serve our customers. Unknown to many, Vietnam is one of the fastest growing economies in the region. Both the International Monetory Fund ("IMF") and the Asian Development Bank expect the country to attain a 7.5% GDP growth in 2005, higher than the 7% registered in the year 2004. With this encouraging pace of growth, we are confident that our office in Vietnam would perform well.

Last but not least, Dominant had also set up a new wholly owned subsidiary in Melbourne, Australia under the name of Green Panel Pty Ltd. This subsidiary serves as an importing as well as wholesale centre for wood panel products sourced from all over the world. With the construction sector in Australia registering positive growths over the last couple of years, we are confident that this sector would remain buoyant and hence present an excellent business opportunity for our new company.

Chairman's Statement *(cont')*

Future Prospects

Going forward, we hope to consolidate the various new projects that we have started. With the seeds of growth sown, we hope that they would blossom in their own time when they reach fruition. Having said that, Dominant's policy has always been to grow in an organic and prudent manner rather than venture hurriedly into unknown territories. As such, we hope to achieve a reasonable rate of growth coupled with attractive returns to our shareholders while maintaining a low risk business model.

Nonetheless, it is widely acknowledged that the current competitive environment is characterized by increasing levels of globalization and freedom of market information. This therefore allows no room for complacency and we must continuously reinvent ourselves and enhance our human capital. However, with the right mindset, I am of the opinion that we can, as a group, achieve so much more.

Appreciation

On behalf of the Board of Directors, I would like to firstly thank the Dominant management team as well as all employees for contributing to the Group's continued success and growth. I would like to extend my heartfelt thanks to Dominant's valued customers, suppliers, business associates, bankers and the authorities. Last but not least, I would like to extend my sincerest and warmest appreciation to our shareholders for putting your trust in the Board.

With this, I wish Dominant another great year ahead!

Thank you.

Yours truly,

Teo Ah Bah @ Teo Chuang Kwee
Non-Executive Chairman
12 August 2005

Audit Committee Report

The Audit Committee was formed to ensure that no restrictions are placed on the scope of statutory audits and that the independence of the internal audit department is not jeopardised. The Audit Committee is primarily responsible for matters relating to financial accounting and controls to ensure that good practices are adopted.

1. Membership and Attendance

The members of the Audit Committee and the details of attendance during the financial year ended 31 March 2005 are as follow:-

Name	Number of meetings	
	Held	Attended
Hj Mohd Khalid Bin Idris Chairman / Independent Non-Executive Director	4	4
Cha Aku Wai @ Sia Ah Kow Member / Managing Director	4	4
Tan Meng Poo Member / Independent Non-Executive Director (Appointed on 9/11/04)	4	2
Johnson Kandasamy A/L David Nagappan Member / Independent Non-Executive Director (Appointed on 9/11/04) (Member of MIA)	4	2
Tan Chia Hon (f) Member / Independent Non-Executive Director (Member of MIA) - Resigned on 9/11/04	4	2

2 Terms of Reference

The terms of reference of the Audit Committee are summarized as follow :-

2.1 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, excluding the attendance of the executive members of the committee, whenever deemed necessary.

2.2 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 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.

2.3 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.

2.4 Quorum for meetings

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

2.5 Attendance at meetings

a) Employees and non-member directors shall not attend any particular audit committee meeting unless specifically invited by the audit 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.

2.6 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 necessary.

2.7 Reporting Procedures

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 provide 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 on Corporate Governance, specifying reasons for any areas of non-compliance (if any) and the alternatives adopted in such areas;
   (iii) Directors' Responsibility Statement for the annual audited financial statements; and
   (iv) Statement about the state of internal control of the Group
(d) The Committee may report any breaches of the Listing Requirements, which have not been satisfactorily resolved, to the Bursa Malaysia.

3. Activities

The Committee has carried out its duties as set out in the terms of reference for activities related to the financial year 2005.

4. Internal Audit Functions

The Audit Committee endorses the importance of the internal audit functions to provide an independent and objective report on the internal control system within the Group. Hence, internal audit department is responsible for undertaking regular and systematic reviews of the system of controls and reports directly to the Audit Committee. During the financial year under review, one (1) internal audit report was presented to the Committee. This report had summarized the audit objectives, scope of works carried out by Internal Audit Department during the year.

Overview of the Group's approach in maintaining a sound system of internal control is stated in the Internal Control Statement on page 23 of this annual report.

Statement On Corporate Governance

The Board acknowledges the need of the corporate governance outlined in the Malaysian Code of Corporate Governance and strongly believes that a good corporate governance is a fundamental part of the Group to protect and enhance shareholders' value. The following statement describes the application of the principles and the extent of compliance with the best practices.

1. Directors

1.1 The Board

The Board's main roles are to create value for shareholders, to provide leadership to the company, to approve the Company's strategic objectives and to ensure that the necessary financial and other resources are made available to the management to enable them to meet those objectives.

Four (4) Board Committees were established to assist the Board to delegate their duties. The Board Committees are as follows :-

Board	Chairman	Directorship
Audit Committee	Hj Mohd Khalid Bin Idris	Independent Non-Executive Director
Nomination Committee	Tan Meng Poo	Independent Non-Executive Director
Remuneration Committee	Hj Mohd Khalid Bin Idris	Independent Non-Executive Director
ESOS Committee	Cha Aku Wai @ Sia Ah Kow	Managing Director

All committees have written terms of reference and have the authority to examine particular issue and report to the Board with recommendations. However, the Board retains the overall responsibility for monitoring activities undertaken by Board Committees.

1.2 Board Balance

The Board currently has 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. A brief profile of each Director is presented on pages 8 to 9 of this Annual Report.

There is a clear division of responsibility at the helm of the Company to ensure that there is a balance of power and authority. The Chairman is responsible for the effective and efficient functioning of the Board and ensures that all Directors receive sufficient relevant information on financial and non-financial matters to enable them to participate actively in Board decisions. The Managing Director is responsible for the day to day management of the business in accordance with the objectives and strategies established by the Board.

1.3 Board Meetings

The Board will review various matters in the Board meetings including the Group's financial results and corporate development for the Group. The agenda for each Board meeting, together with detailed reports will be circulated to all Board members for their perusal in advance of the Board meeting date, so that members are given sufficient time to prepare and, where necessary, obtain additional information or clarification prior to the meeting. 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.

1.4 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. The Company secretary is responsible for ensuring the Board meetings procedures are followed and the applicable rules and regulations are complied with.

Notice of meetings, agenda and accompanied by relevant Board papers are given to the directors in sufficient time to enable the directors to obtain additional information and further clarification.

Where necessary, the directors may seek independent professional advice at the Group's expense in order to discharge their duties and responsibilities effectively.

1.5 Appointment Process

All new nominations for appointment to the Board are assessed by the Nomination Committee. The Nomination Committee was formed to establish a transparent policies and procedures to select and recommend suitable candidate to the Board. It shall be responsible for reviewing, considering and proposing new nominees to the Board, and for assessing existing directors' contribution on an on-going basis. In addition, the committee shall also assess the effectiveness of the Board as a whole and the committees of the Board.

The Nomination committee consists of three (3) non-executive Directors. They are:-

Name	Designation	Directorship
Tan Meng Poo	Chairman	Independent Non-Executive Director
Hj Mohd Khalid Bin Idris	Member	Independent Non-Executive Director
Teo Ah Bah @ Teo Chuang Kwee	Member (Appointed on 9/11/04)	Non-Executive Director
Tan Chia Hon (f)	Member (Resigned on 9/11/04)	Independent Non-Executive Director

For the financial year under review, the Committee has carried out the following activities in accordance with its terms of reference:-

(a) recommended to the Board a new candidate for directorship;
(b) recommended to the Board the members for the Board's committees;
(c) accepted the resignations of directors;
(d) recommended the redesignation of a director, and
(e) recommended the directors, who shall retire in accordance with the Company's Articles of Association, for being re-election at the forthcoming Annual General Meeting.

The committee has met three (3) times during the financial year 2005. The meetings were attended by all members.

1.6 Re-election of Directors

In accordance with the Company's Article of Associations, all Directors are subject to re-election by shareholders at the Annual General Meeting following their appointment. At least one-third (1/3) of the remaining Directors shall retire from office at each Annual General Meeting at least once in every three (3) years, but shall be eligible for re-election.

1.7 Director's Training

All Directors appointed to the Board during the year have attended the Mandatory Accreditation Programme ("MAP"). The Directors will undergo relevant training programmes as a continuing effort to train and equip themselves to effectively discharge their duties.

2. Directors Remuneration

The Remuneration Committee consists entirely of non-executive directors. They are:-

Name	Designation	Directorship
Hj Mohd Khalid Bin Idris	Chairman	Independent Non-Executive Director
Teo Ah Bah @ Tao Chuang Kwee	Member	Non-Executive Chairman
Johnson Kandasamy A/L David Nagappan	Member (Appointed on 9/11/04)	Independent Non-Executive Director
Tan Chia Hon (f)	Member (Resigned on 9/11/04)	Independent Non-Executive Director

The Remuneration Committee is responsible for making recommendations to the Board and to set up a policy and procedure on the remuneration packages of the executive directors. The Committee will review the salary and other benefits of the executive directors by taking into consideration of their individual performance as well as the operation unit performance, overall salary structure and the conditions throughout the Group. Other than that, the Remuneration Committee shall be responsible to adopt a policy that aligns basic salary to the market level among other comparable companies with similar size and/or similar industry.

The remuneration package for non-executive directors will be decided by the Board in respect of their performance, experience and level of responsibilities undertaken by them. The Directors' fee payable to non-executive directors is to be determined by the Board with the approval of shareholders at the annual general meeting.

The Committee has met three (3) times during the financial year 2005. The meetings were attended by all members.

The aggregate remuneration of all directors categorised into the appropriate components for the financial year ended 31 March 2005 is summarized as below: -

	Executive Directors RM	Non-Executive Directors RM	Total RM
Fees	-	95,667	95,667
Salary & Other emolument	1,160,801	117,839	1,278,640
Meeting Allowance	8,500	8,000	16,500
	1,169,301	221,506	1,390,807

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

	Number of Director	
Range of Remuneration	**Executive Directors**	**Non-Executive Directors**
Below RM 50,000	1	4
RM 50,001 ~ RM 100,000	-	-
RM 100,001 ~ RM 150,000	-	-
RM 150,001 ~ RM 200,000	-	1
RM 200,001 ~ RM 250,000	3	-
RM 250,001 ~ RM 300,000	-	-
RM 300,001 ~ RM 350,000	-	-
RM 350,001 ~ RM 400,000	-	-
RM 400,001 ~ RM 450,000	1	-
	5	5

3. Relations with Shareholders

The Board continues to acknowledge the need for shareholders to be informed of all material business matters affecting the Company. Therefore, information on the Company's business operations and corporate developments are released to all shareholders through quarterly results, annual report and public announcements on timely basis. In addition, shareholders are encouraged to participate at Annual General Meeting, where they are given opportunity to raise questions. All members of the Board, Senior Management and the Company's External Auditors are available to respond to shareholders' questions during the AGM. Shareholders who are unable to attend are allowed to appoint proxy.

The Company has established a website at www.dominant.com.my for shareholders and the public to obtain up-to-date information on the Group's activities, products, and to ensure easy and convenient assess to the Group's financial and corporate information. Shareholders can also seek for clarification through Company's web site.

4. Accountability and Audit

4.1 Financial Reporting

The Board is responsible for ensuring the proper maintenance of accounting records of the Group. The Board receives the recommendation to adopt the financial statements from the Audit Committee, which assess the financial statements with the assistance of the external auditors.

4.2 Internal Control

The Statement on Internal Control as detailed under page 23 of this annual report provides an overview of the state of internal controls within the Group.

4.3 Relationship with Auditors

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. The Group maintains an appropriate and transparent relationship with the external auditors and always seeks professional advises from the external auditor.

5. 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 general responsibilities for taking reasonably steps to safeguard the assets of the Group, and to prevent fraud, irregularities, material misstatements and losses.

The Board has undertaken various steps to ensure timely, accurate and up-to-date financial information are announced to Bursa Malaysia. The distribution of the Annual Report to the shareholders is to ensure that they are kept abreast of the Group's performance throughout the year.

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's listing requirement. It is the Board's duty to ensure all accounting records are properly kept.

6. Addition Information

During the financial year 2005, the ESOS Committee has proposed to the Board to implement an Employee Share Option Scheme ("ESOS") involving up to 15% of the Company's issued and paid up share capital. Only employees who fulfil the conditions stated in the By-Law shall be eligible to participate in the scheme. In determining the number of shares to be allocated to an eligible employee, the Committee has taken into consideration the seniority and length of service of the employee in the Group. This scheme has obtained the approval from the relevant authorities and is in force for a duration of five (5) years from 2 August 2004 to 1 August 2009. Approval from shareholders was also been obtained in the Extraordinary General Meeting convened on 26 July 2004.

The ESOS Committee was formed on 27 July 2004. It aims to set up a policy framework and By-Laws for the consideration of and make recommendations to the Board pertaining to all matters related to the ESOS. The Committee comprises a Director and senior management personnel appointed by the Board to administer the scheme. They are:-

Name	**Designation**	**Position in the Group**
Cha Aku Wai @ Sia Ah Kow	Chairman	Managing Director
Er Lee Keng	Member	Finance & Administration Manager
Chin Ing Yen	Member	Accounts Manager
Waldersee Chan Chung Ching	Member	Business Development Manager

During the financial year 2005, the committee met twice (2) to determine the eligibility of employee, basis of allotment of shares and any other administration matters of the ESOS. The Committee also recommended an Option price of Sixty Six Sen (RM 0.66) to the Board for approval.

As at the date of this report, 12,420,000 option shares have been granted to Dominant's eligible employees, of which 121,000 option shares have been exercised.

This Statement was made in accordance with a resolution of the Board of Directors dated 18 July 2005.

Internal Control Statement

This statement has been prepared in accordance with the Statement on Internal Control Guidance ("Guidance") adopted by Bursa Malaysia Securities Berhad. The Board has overall responsibility to maintain an adequate system of internal control and risk management and to review its effectiveness throughout the Group.

Key Elements and Processes

1. 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 so that the appropriate level of authorities and responsibilities can be delegated to ensure operation efficiency.
2. A Standard Operating Procedures Manual ("SOPM") has been distributed to each subsidiary's branches with clearly stated the steps of procedures on each task delegated. All departmental heads have been instructed to give full guidance to their subordinates and all employees are well trained on their job.
3. Internal Audit Department ("IAD") has been set up to execute the instructions of the Board and to implement an adequate internal control system and maintain it's effectiveness and efficiency. Hence, IAD has the responsibility to ensure that SOPM are strictly abided by all employees. IAD is independent from other operation department and it reports directly to the Audit Committee. An Internal Audit Report will be presented to the Audit Committee at each financial year end.
4. The Audit Committee is responsible to perform regular reviews of business processes and highlight significant risks that may have impact on the Group's Performance to the Board. It has been authorised by the Board to hold discussions with IAD on internal control issues at any point of time when necessary. For each financial year, an Audit Plan will presented by the external auditors and will be reviewed and approved by the Audit Committee.
5. The executive directors have been closely involved in the day-to-day operations of the Group. They attend the operational and management level meetings, monitoring the Company's policies and procedures. Significant matters identified during these meetings are highlighted to the Board on timely basis.

Risk Management Framework

For the purpose of meeting the regulatory requirements in relation to Corporate Governance and Risk Management, the Company had recently engaged Ernst & Young to facilitate the Audit Committee and Board of Directors to implement risk management process and to put in place a more structured approach in risk identification, assessment and treatment. In addition, to ensure absolute independence assurance and higher professionalism, Ernst & Young will assess to Dominant's current Internal Audit function, as to develop a roadmap to move Dominant's in-house Internal Audit function to the next level. The Board believes, with the assistance of the consultant, the Company will able to enhance the risk consciousness and to create an impetus to change amongst the key personnel.

The consultant will commence on the engagement in end 2005. A report will be presented to the Audit Committee upon completion of the engagement. Thereafter, an Enterprise Risk Management Committee will be established to continuously document and control the Group's risk profile.

Effectiveness of Internal Control

The Board is of the view that the existing internal control system was satisfactory and has not resulted in any significant breakdown or weaknesses that would cause in any material losses in the Group for the financial year ended 31 March 2005. The Group continues to take necessary measures to strengthen its internal control structure and manage the risks.

This Statement was made in accordance with a resolution of the Board of Driectors dated 18 July 2005.

Financial Statements

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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, 2005.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company.

The principal activities of its subsidiary companies are disclosed in Note 13 to the Financial Statements.

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

	The Group RM	The Company RM
Profit before tax	11,645,258	2,219,886
Income tax expense	(2,202,446)	(82,460)
Profit after tax	9,442,812	2,137,426
Minority interests	(14,861)	-
Net profit for the year	9,427,951	2,137,426

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 final dividend of 2.5 sen per ordinary share, tax-exempt, amounting to RM2,150,000, proposed in the previous financial year and dealt with in the previous directors' report was paid by the Company during the financial year.

Pending the declaration of dividends by a subsidiary company amounting to RM2,250,000, the directors have proposed a final dividend of 2.5 sen per ordinary share, tax-exempt, amounting to RM2,152,775, in respect of the current financial year. This 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. The proposed final dividend for 2005 is payable in respect of all ordinary shares in issue as at the date of 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 RM43,000,000 to RM43,055,500 during the year by way of an issue of 111,000 new ordinary shares of RM0.50 each for cash pursuant to the Employees' Share Option Scheme (ESOS) of the Company at an exercise price of RM0.66 per ordinary share.

The resulting premium arising from the shares issued above of RM17,760, 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 has not issued any debentures during the financial year.

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.

The salient features of the ESOS are as follows:-

(a) 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;

(b) 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 Scheme based on parameters as set out in the By-Laws approved by the Bursa Securities;

(c) the ESOS shall be in force for a maximum period of five(5) years from August 2, 2004; and

(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 the Bursa Securities for the day) of the ordinary shares as quoted and shown in the Daily Official List issued by the 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.

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 Option.

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

Date of offer	Exercise price per ordinary share RM	Balance as of 1.4.2004	Granted	Exercised	Balance as of 31.03.2005
August 2, 2004	0.66	-	12,900,000	(111,000)	12,789,000

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.

OTHER FINANCIAL 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 have satisfied themselves that there was no bad debts to be written off and that adequate allowance has 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 necessitate the writing off of bad debts or render the amount of allowance for doubtful debts inadequate to any substantial extent in the financial statements of the Group and of the Company; 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 succeeding financial year.

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 Kwai Yoke @ Kuah Boo Cheng
Mr. Chai Soon Too
Mr. Owee Geok Choon
Mr. Tan Meng Poo
En. Mohd Khalid Bin Idris
Mr. Johnson Kandasamy A/L David Nagappan (appointed on 1.11.2004)
Ms. Tan Chia Hon (resigned on 1.11.2004)
Mr. Teo Kee Tai (resigned on 1.11.2004)

In accordance with Article 84 of the Company's Articles of Association, En. 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.

Mr. Johnson Kandasamy A/L David Nagappan who was appointed to the Board since the last Annual General Meeting, retires under Article 91 of the Company's Articles of Association and, being eligible, offers himself 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 1.4.2004	Bought	(Sold)	Balance as of 31.3.2005
Shares in the Company				
Registered in the name of directors				
Mr. Cha Aku Wai @ Sia Ah Kow	538,132	-	-	538,132
Mr. Teo Ah Bah @ Teo Chuang Kwee	343,365	-	-	343,365
Mr. Kuah Kwai Yoke @ Kuah Boo Cheng	129,983	-	-	129,983
Mr. Chai Soon Too	116,064	-	-	116,064
Mr. Owee Geok Choon	20,181	-	-	20,181
En. Mohd Khalid Bin Idris	2,408,006	-	-	2,408,006
Mr. Tan Meng Poo	-	21,000	-	21,000
Indirect interest				
Mr. Cha Aku Wai @ Sia Ah Kow	44,223,456	327,700	-	44,551,156
Mr. Teo Ah Bah @ Teo Chuang Kwee	15,110	31,300	-	46,410
Mr. Owee Geok Choon	-	30,000	-	30,000

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

	No. of options over ordinary shares of RM0.50 each			
	Balance as of 1.4.2004	Granted	Exercised	Balance as of 31.3.2005
Mr. Cha Aku Wai @ Sia Ah Kow	-	500,000	-	500,000
Mr. Teo Ah Bah @ Teo Chuang Kwee	-	500,000	-	500,000
Mr. Kuah Kwai Yoke @ Kuah Boo Cheng	-	500,000	-	500,000
Mr. Chai Soon Too	-	500,000	-	500,000
Mr. Owee Geok Choon	-	500,000	-	500,000
En. Mohd Khalid Bin Idris	-	120,000	-	120,000
Mr. Tan Meng Poo	-	120,000	-	120,000

	No. of ordinary shares of RM1.00 each			
	Balance as of 1.4.2004	Bought	(Sold)	Balance as of 31.3.2005
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	5,105	848	-	5,953
Mr. Kuah Kwai Yoke @ Kuah Boo Cheng	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
Mr. Teo Ah Bah @ Teo Chuang Kwee	224	76	-	300

By virtue of the above directors' interest in the shares of the Company and the holding company, the abovementioned directors are 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 interest.

The another director in office as of the end of the financial year does 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 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 except for any benefits which may be deemed to have arisen by virtue of the transactions mentioned in Note 17 to the Financial Statements.

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 51% - owned 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
May 28, 2005

Report Of The Auditors To The Members Of Dominant Enterprise Berhad
(Incorporated in Malaysia)

We have audited the accompanying balance sheets as of March 31, 2005 and the related statements of income, cash flows and changes in equity for the year then ended. These financial statements are the responsibility of the Company's directors. It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the abovementioned financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of:

  (i) the state of affairs of the Group and of the Company as of March 31, 2005 and of the results and the cash flows of the Group and of the Company for the year ended on that date; and

  (ii) the matters required by Section 169 of the Act to be dealt with in the financial statements and consolidated financial statements; and

(b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies incorporated in Malaysia have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and auditors' report of the subsidiary company, Akati Impex Pte. Ltd., which have been audited by our associated firm, being financial statements that have been included in the consolidated financial statements.

We are satisfied that the financial statements 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 consolidated financial statements, and we have received satisfactory information and explanations as required by us for these purposes.

The auditors' reports on the financial statements 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 Act.

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

CHONG LEE LEE
1973/8/05(J)
Partner

Johor Bahru
May 28, 2005

Income Statement For The Year Ended March 31, 2005

		The Group		The Company	
		2005	2004	2005	2004
	Note	RM	RM	RM	RM
Revenue	5	167,514,207	142,731,769	2,150,000	1,935,000
Other operating income	6	1,827,161	1,194,176	609,000	420,000
Changes in inventories of work-in-progress and finished goods		123,297	48,812	-	-
Raw materials and consumables used		(36,022,539)	(22,385,896)	-	-
Cost of trading goods sold		(103,022,864)	(93,339,273)	-	-
Staff costs	6	(6,954,945)	(5,731,405)	(77,161)	(9,642)
Directors' remuneration	7	(1,390,808)	(1,529,737)	(230,006)	(298,110)
Depreciation of property, plant and equipment		(1,940,618)	(1,885,723)	(84,468)	(77,428)
Amortisation of goodwill		(34,092)	(31,332)	-	-
Other operating expenses	6	(7,803,816)	(7,905,854)	(181,379)	(53,434)
Profit from operations		12,294,983	11,165,537	2,185,986	1,916,386
Finance costs	8	(805,839)	(821,692)	(6,600)	(5,500)
Income from other investments	9	156,114	143,474	40,500	51,782
Profit before tax		11,645,258	10,487,319	2,219,886	1,962,668
Income tax expense	10	(2,202,446)	(1,830,128)	(82,460)	(15,500)
Profit after tax		9,442,812	8,657,191	2,137,426	1,947,168
Minority interests		(14,861)	-	-	-
Net profit for the year		9,427,951	8,657,191	2,137,426	1,947,168
Earnings per ordinary share					
Basic (sen)	11	10.96	10.66		
Diluted (sen)	11	10.72			

The accompanying Notes form an integral part of the Financial Statements.

Balance Sheets As Of March 31, 2005

	Note	The Group 2005 RM	The Group 2004 RM	The Company 2005 RM	The Company 2004 RM
ASSETS					
Property, plant and equipment	12	32,384,472	30,832,389	260,442	344,910
Investment in subsidiary companies	13	-	-	67,042,811	44,100,666
Goodwill on consolidation	14	878,928	637,020	-	-
Current Assets					
Inventories	15	26,042,890	27,422,854	-	-
Trade receivables	16	37,028,962	31,202,774	-	-
Other receivables and prepaid expenses	16	1,324,271	757,817	68,440	54,605
Amount owing by a subsidiary company	17	-	-	1,115,229	1,495,350
Cash and bank balances	18	6,487,081	7,239,361	2,086,621	1,546,601
		70,883,204	66,622,806	3,270,290	3,096,556
Current Liabilities					
Trade payables	19	11,591,544	9,027,093	-	-
Other payables and accrued expenses	19	1,217,316	1,540,272	45,002	4,500
Amount owing to another subsidiary company	17	-	-	1,000,000	-
Hire-purchase payables	20	100,635	90,684	66,672	66,672
Finance lease payables	21	108,668	75,363	-	-
Borrowings	22	18,387,833	22,588,351	-	-
Tax liabilities		495,113	443,915	30,750	-
		31,901,109	33,765,678	1,142,424	71,172
Net Current Assets		38,982,095	32,857,128	2,127,866	3,025,384
Long-term and Deferred Liabilities					
Hire-purchase payables - non-current portion	20	66,040	100,113	11,096	77,768
Finance lease payables - non-current portion	21	166,721	81,625	-	-
Deferred tax liabilities	23	1,620,600	1,620,600	-	-
		(1,853,361)	(1,802,338)	(11,096)	(77,768)
Minority interests		(314,861)	-	-	-
Net Assets		70,077,273	62,524,199	69,420,023	47,393,192
Represented by:					
Issued capital	24	43,055,500	43,000,000	43,055,500	43,000,000
Reserves	25	27,021,773	19,524,199	26,364,523	4,393,192
Shareholders' Equity		70,077,273	62,524,199	69,420,023	47,393,192

The accompanying Notes form an integral part of the Financial Statements.

Statements Of Changes In Equity For The Year Ended March 31, 2005

The Group	Note(s)	Issued Capital RM	← Non-distributable Share Premium RM	Revaluation Reserve RM	→ Translation Reserve RM	Distributable Reserve Unappropriated Profit RM	Total/Net Shareholders' Equity RM
Balance as of April 1, 2003		38,700,000	277,459	3,862,922	280,623	8,072,156	51,193,160
Net profit for the year		-	-	-	-	8,657,191	8,657,191
Issue of shares	24	4,300,000	1,290,000	-	-	-	5,590,000
Dividend paid		-	-	-	-	(1,935,000)	(1,935,000)
Translation surplus		-	-	-	416,591	-	416,591
Shares issue expenses	25	-	(1,397,743)	-	-	-	(1,397,743)
Balance as of March 31, 2004		43,000,000	169,716	3,862,922	697,214	14,794,347	62,524,199
Net profit for the year		-	-	-	-	9,427,951	9,427,951
Issue of 111,000 new ordinary shares of RM0.50 each relating to the ESOS exercised at the issue price of RM0.66 per share	24&25	55,500	17,760	-	-	-	73,260
Dividend paid	28	-	-	-	-	(2,150,000)	(2,150,000)
Translation surplus		-	-	-	201,863	-	201,863
Balance as of March 31, 2005		43,055,500	187,476	3,862,922	899,077	22,072,298	70,077,273

The Company	Note(s)	Issued Capital RM	Non-distributable Reserves Share Premium RM	Revaluation Reserve RM	Accumulated Loss RM	Total/Net Shareholders' Equity RM
Balance as of April 1, 2003		38,700,000	277,459	4,330,922	(119,614)	43,188,767
Net profit for the year		-	-	-	1,947,168	1,947,168
Issue of shares	24	4,300,000	1,290,000	-	-	5,590,000
Dividend paid		-	-	-	(1,935,000)	(1,935,000)
Share issue expenses	25	-	(1,397,743)	-	-	(1,397,743)
Balance as of March 31, 2004		43,000,000	169,716	4,330,922	(107,446)	47,393,192
Surplus on revaluation of investment in subsidiary companies		-	-	21,966,145	-	21,966,145
Net profit for the year		-	-	-	2,137,426	2,137,426
Issue of 111,000 new ordinary shares of RM0.50 each relating to the ESOS exercised at the issue price of RM0.66 per share	24&25	55,500	17,760	-	-	73,260
Dividend paid	28	-	-	-	(2,150,000)	(2,150,000)
Balance as of March 31, 2005		43,055,500	187,476	26,297,067	(120,020)	69,420,023

The accompanying Notes form an integral part of the Financial Statements.

Cash Flow Statements For The Year Ended March 31, 2005

	Note	The Group 2005 RM	The Group 2004 RM	The Company 2005 RM	The Company 2004 RM
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES					
Profit before tax		11,645,258	10,487,319	2,219,886	1,962,668
Adjustments for:					
Depreciation of property, plant and equipment		1,940,618	1,885,723	84,468	77,428
Finance costs		805,839	821,692	6,600	5,500
Amortisation of goodwill		34,092	31,332	-	-
(Gain) Loss on disposal of property, plant and equipment		8,763	(14,977)	-	-
Property, plant and equipment written-off		5,869	20,299	-	-
Dividend income		-	-	(2,150,000)	(1,935,000)
Allowance for doubtful debts		-	31,339	-	-
Allowance for doubtful debts no longer required		(2,237)	(12,835)	-	-
Gain on disposal of quoted investment		(4,070)	-	-	-
Interest income		(152,044)	(143,474)	(40,500)	(51,782)
Operating Profit Before Working Capital Changes		14,282,088	13,106,418	120,454	58,814
(Increase) Decrease in:					
Inventories		1,433,118	(8,486,107)	-	-
Trade receivables		(5,780,154)	(8,274,374)	-	-
Other receivables and prepaid expenses		(282,374)	1,032,995	(18,400)	648,672
Amount owing by a subsidiary company		-	-	380,121	(1,495,350)
Fixed deposits pledged to licensed banks		569,384	-	-	-
Increase (Decrease) in:					
Trade payables		2,557,864	2,348,870	-	-
Other payables and accrued expenses		(324,018)	469,567	40,502	-
Amount owing to another subsidiary company		-	-	1,000,000	(1,180,499)
Cash From (Used In) Operations		12,455,908	197,369	1,522,677	(1,968,363)
Income tax refund		-	637	-	-
Income tax paid		(2,434,743)	(1,320,948)	(47,145)	(56,250)
Finance costs paid		(805,839)	(817,053)	(6,600)	(5,500)
Net Cash From (Used In) Operating Activities		9,215,326	(1,939,995)	1,468,932	(2,030,113)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES					
Interest income received		152,044	121,910	40,500	51,782
Proceeds from disposal of property, plant and equipment		14,799	22,230	-	-
Proceeds from disposal of quoted investment		4,070	-	-	-
Dividend income received		-	-	2,150,000	1,935,000
Acquisition of:					
A subsidiary company*		24,000	-	(576,000)	-
Additional equity in a subsidiary company		-	-	(400,000)	(400,000)
Additions to property, plant and equipment		(3,084,376)	(4,841,577)	-	(222,338)
Net Cash From (Used In) Investing Activities		(2,889,463)	(4,697,437)	1,214,500	1,364,444

	Note	The Group 2005 RM	The Group 2004 RM	The Company 2005 RM	The Company 2004 RM
ASH FLOWS FROM (USED IN) FINANCING ACTIVITIES					
Proceeds from other borrowings		67,191,785	66,422,050	-	-
Issue of shares		73,260	5,590,000	73,260	5,590,000
Shares issue expenses		-	(1,397,743)	-	(1,397,743)
Repayments of hire-purchase payables		(104,122)	(105,972)	(66,672)	(55,560)
Repayments of finance lease payables		(113,753)	(67,218)	-	-
Repayments of long-term loans		(129,279)	(3,596,800)	-	-
Dividend paid		(2,150,000)	(1,935,000)	(2,150,000)	(1,935,000)
Repayments of other borrowings		(70,997,516)	(60,977,155)	-	-
Net Cash From (Used In) Financing Activities		(6,229,625)	3,932,162	(2,143,412)	2,201,697
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		96,238	(2,705,270)	540,020	1,536,028
Adjustment for foreign exchange differentials		1,520	16,487	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		4,972,765	7,661,548	1,546,601	10,573
CASH AND CASH EQUIVALENTS AT END OF YEAR	26	5,070,523	4,972,765	2,086,621	1,546,601

During the financial year, the Group and the Company made the following cash payments on purchase of property, plant and equipment:

	The Group 2005 RM	The Group 2004 RM	The Company 2005 RM	The Company 2004 RM
Purchase of property, plant and equipment	3,386,807	5,261,547	-	422,338
Less: Financed by				
Hire purchase arrangements	(80,000)	(200,000)	-	(200,000)
Finance lease arrangements	(222,431)	(219,970)	-	-
Cash payments on purchase of property, plant and equipment	3,084,376	4,841,577	-	222,338

*** ANALYSIS OF ACQUISITION OF A SUBSIDIARY COMPANY**

During the financial year, the Company acquired Kim Guan Impex Sdn. Bhd. The fair value of the assets acquired is as follows:

	RM
Cash and bank balances	600,000
Minority interests	(300,000)
Goodwill on consolidation	276,000
Net assets acquired	576,000
Less: Cash and bank balances	(600,000)
Cash flow on acquisition, net of cash acquired	(24,000)

The accompanying Notes form an integral part of the Financial Statements.

1. GENERAL INFORMATION

The Company is principally an investment holding company. The principal activities of its subsidiary companies are disclosed in Note 13 to the Financial Statements.

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 total number of employees of the Group and of the Company as of March 31, 2005 were 242 and 1 (222 and 1 in 2004) respectively.

The registered office of the Company is located at No. 19, Jalan Tun Abdul Razak, Susur 1/1, 80000 Johor Bahru, Johor.

The principal place of business of the Company is located at No. 18, Jalan Belati 1, Off Jalan Kempas Lama, Taman Perindustrian Maju Jaya, 81330 Skudai, Johor.

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors in accordance with a resolution of the directors on May 28, 2005.

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 applicable approved accounting standards in Malaysia.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and the Company have been prepared under the historical-cost convention modified to include the revaluation of certain property, plant and equipment and investment in subsidiary companies, unless otherwise indicated in the summary of significant accounting policies.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and of the subsidiary companies controlled by the Company made up to March 31, 2005.

A subsidiary company is a company where the Group has control through the power to govern the financial and operating policies of the company so as to obtain benefits therefrom. Control is presumed to exist when the Group owns, directly or indirectly through subsidiary companies, more than one half of the voting rights of the company.

Subsidiary companies are consolidated using the merger method of accounting except for Premier Woodprofile Sdn. Bhd., Bripanel Industries Sdn. Bhd., Jurihan Sdn. Bhd. and Kim Guan Impex Sdn. Bhd., which are consolidated using the acquisition method of accounting. In accordance with the transitional provision of MASB 21 Business Combinations, the Company applies MASB 21 prospectively.

Under the merger method of accounting, the results of the subsidiary companies are accounted for on a full year basis irrespective of the date of merger.

Under the acquisition method of accounting, the assets and liabilities of the relevant subsidiary companies are measured at their fair values at the date of acquisition.

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

All significant inter-company transactions, balances and resulting unrealised gains are eliminated on consolidation.

Revenue Recognition

Sales of goods are recognised upon delivery of products and when the risks and rewards of ownership has passed to the customers.

Sales of the Group represent gross invoiced value of goods sold net of sales tax, trade discounts and allowances.

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

Foreign Currency

Transactions in foreign currencies are converted into Ringgit Malaysia at exchange rates prevailing at the transaction dates or, where settlement has not yet been made at the end of the financial year, the assets and liabilities are converted at approximate exchange rates prevailing at that date. All foreign exchange gains and losses are taken up in the income statements.

For the purposes of consolidation, the financial statements of the foreign incorporated subsidiary company has been translated into Ringgit Malaysia as follows:

Assets and liabilities	-	at closing rate
Issued capital	-	at historical rate
Revenue and expenses	-	at average rate

The closing rates per unit of Ringgit Malaysia used in the translation of a foreign incorporated subsidiary company's financial statements are as follows:

Currency	2005 RM	2004 RM
Singapore Dollar	0.4348	0.4423

All translation gains or losses are taken up and reflected in the translation reserve account under shareholders' equity. Such translation gains or losses are recognised as income or expenses in the income statements, in the period in which the operations are disposed of.

Differences in exchange arising from the translation of the opening net investments in foreign subsidiary company, and from the translation of the results of the subsidiary company at the average exchange rate, are taken to translation reserve account.

Income Tax

Deferred tax is accounted for in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases used in the computation of taxable profit.

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 future taxable profit will be available against which the deferred tax assets can be utilised.

Property, Plant and Equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses, if any.

Land and buildings stated at valuation are revalued at regular intervals of at least once in every five years by the directors based on the valuation reports of independent professional valuers using the "open market value on existing use" basis with additional valuation in the intervening years where market conditions indicate that the carrying values of the revalued assets differ materially from market value.

An increase in the carrying amount arising from revaluation of property, plant and equipment is credited to the revaluation reserve account as revaluation surplus. Any deficit arising from revaluation is charged against the revaluation reserve account to the extent of a previous surplus held in the revaluation reserve account for the same asset. In all other cases, a decrease in carrying amount is charged to the income statements. An increase in revaluation directly related to a previous decrease in carrying amount for that same asset that was recognised as an expense, is credited to income statements to the extent that it offsets the previously recorded decrease.

Gains or losses arising from the disposal of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and is recognised in the income statements. On disposal of revalued assets, the amounts in revaluation reserve account relating to the assets disposed are transferred to unappropriated profit account.

Freehold land and construction work-in-progress are not depreciated. Long leasehold land is amortised evenly over the period of the lease of 50 and 60 years. All other property, plant and equipment are depreciated on a straight-line method to their residual values at rates based on the estimated useful lives of the various assets.

The annual depreciation rates are as follows:

Buildings	2%
Plant and machineries	10%
Forklifts	10% & 20%
Motor vehicles	10% & 20%
Furniture, fittings and equipment	5% & 10%
Signboard	10%
Stores	10%
Cabin	10%
Computer equipment	100%
Renovations	10%
Electrical fittings and installation	10%

Property, Plant and Equipment Under Hire-Purchase Arrangements

Property, plant and equipment acquired under hire-purchase arrangements are capitalised in the financial statements and the corresponding obligations treated as liabilities. Finance charges are allocated to the income statements to give a constant periodic rate of interest on the remaining hire-purchase liabilities.

Leases

Assets acquired under leases which transfer substantially all the risk and rewards incident to ownership of the assets are capitalised under property, plant and equipment. The assets and the corresponding lease obligations are recorded at their fair values or, if lower, at the present value of the minimum lease payments of the leased assets at the inception of the respective leases.

Finance costs, which represent the differences between the total lease commitments and the fair values of the assets acquired, are charged to the income statements over the term of the relevant lease periods so as to give constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

All other leases which do not meet such criteria are classified as operating leases. Lease payments under operating leases are recognised as an expense in the income statements on a straight-line basis over the terms of the relevant lease.

Investments

Investments in unquoted subsidiary companies, which are eliminated on consolidation, are stated in the Company's financial statements at cost and valuation. The investment in subsidiary companies are revalued at regular intervals of at least once in every five years by the directors based on the net tangible assets value of the subsidiary companies with additional valuation in the intervening years where there is an indication of impairment in the value of the assets, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

Goodwill

Goodwill arising on consolidation represents the excess of the purchase consideration over the share of the fair value of the identifiable net assets of a subsidiary company at the date of acquisition.

Goodwill is recognised as an asset and amortised on a systematic basis following an assessment of the economic useful life of the assets, subject to a maximum of 20 years.

Impairment of Assets

At each balance sheet date, the Group and the Company review the carrying amounts of assets (other than inventories and financial assets, which are dealt with in their respective policies) to determine if there is any indication that those assets may be impaired. If any such indication exists, the asset's recoverable amount, which is the higher of net selling price and value in use, is estimated.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss in recognised in the income statements, unless the asset is carried at revalued amount, in which case, the impairment loss is treated as a revaluation decrease.

An impairment loss in respect of goodwill is not reversed unless the loss is caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event. In respect of other assets, an impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal is recognised in the income statements, unless it reverses an impairment loss on revalued assets, in which case, the reversal 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.

Employee Benefits

The Group and the Company are required by law to make monthly contributions to the Employees' Provident Fund (EPF), a statutory defined contribution plan for all their eligible employees based on certain prescribed rates of the employees' salaries. The Group's and the Company's contributions to EPF are disclosed separately. The employees' contributions to EPF are included in salaries and wages.

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. SEGMENT REPORTING

Business segments

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

- Manufacturing of wood products
- Distributing of wood products

Inter-segment sales are charged at cost plus a percentage profit mark-up.

The Group
2005

	Manufacturing of wood products RM	Distributing of wood products RM	Elimination RM	Consolidated RM
REVENUE				
External sales	51,872,176	115,642,031	-	167,514,207
Inter-segment sales	803,891	562,012	(1,365,903)	-
Total revenue	52,676,067	116,204,043	(1,365,903)	167,514,207
RESULTS				
Segment result	6,690,563	5,602,526	574,908	12,867,997
Unallocated corporate expenses				(573,014)
Profit from operations				12,294,983
Finance costs				(805,839)
Income from other investments				156,114
Profit before tax				11,645,258
Income tax expense				(2,202,446)
Profit after tax				9,442,812
OTHER INFORMATION				
Capital additions	2,439,842	946,965	-	3,386,807
Depreciation and amortisation	1,239,267	616,883	-	1,856,150
Unallocated corporate depreciation and amortisation				84,468
Total depreciation and amortisation				1,940,618
CONSOLIDATED BALANCE SHEET				
ASSETS				
Segment assets	40,761,620	64,882,010	(3,912,529)	101,731,101
Unallocated corporate assets				2,415,503
Consolidated total assets				104,146,604
LIABILITIES				
Segment liabilities	8,960,201	28,668,507	(4,027,758)	33,600,950
Unallocated corporate liabilities				153,520
Consolidated total liabilities				33,754,470

The Group
2004

	Manufacturing of wood products RM	Distributing of wood products RM	Elimination RM	Consolidated RM
REVENUE				
External sales	38,171,203	104,560,566	-	142,731,769
Inter-segment sales	1,640,885	374,364	(2,015,249)	-
Total Revenue	39,812,088	104,934,930	(2,015,249)	142,731,769
RESULTS				
Segment result	6,524,980	4,690,503	388,668	11,604,151
Unallocated corporate expenses				(438,614)
Profit from operations				11,165,537
Finance costs				(821,692)
Income from other investments				143,474
Profit before tax				10,487,319
Income tax expense				(1,830,128)
Profit after tax				8,657,191
OTHER INFORMATION				
Capital additions	4,330,845	508,364	-	4,839,209
Unallocated corporate capital additions				422,338
Total capital additions				5,261,547
Depreciation and amortisation	1,233,161	606,466	-	1,839,627
Unallocated corporate depreciation and amortisation				77,428
Total depreciation and amortisation				1,917,055
CONSOLIDATED BALANCE SHEET				
ASSETS				
Segment assets	36,843,381	62,236,032	(2,933,313)	96,146,100
Unallocated corporate assets				1,946,115
Consolidated total assets				98,092,215
LIABILITIES				
Segment liabilities	8,361,247	31,486,493	(4,428,663)	35,419,077
Unallocated corporate liabilities				148,939
Consolidated total liabilities				35,568,016

GEOGRAPHICAL SEGMENTS

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

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 2005 RM	2004 RM
Malaysia	131,438,827	105,566,986
Australia	13,931,950	16,349,114
Singapore	3,244,081	4,383,474
Other Asia-Pacific countries	13,526,886	13,147,503
United States and European countries	5,372,463	3,284,692
	167,514,207	142,731,769

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	
	2005 RM	2004 RM	2005 RM	2004 RM
Malaysia	91,824,769	84,149,101	2,947,567	4,787,560
Singapore	12,321,835	13,943,114	439,240	473,987
	104,146,604	98,092,215	3,386,807	5,261,547

5. REVENUE

	The Group		The Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Sales of goods	167,514,207	142,731,769	-	-
Dividend income	-	-	2,150,000	1,935,000
	167,514,207	142,731,769	2,150,000	1,935,000

6. STAFF COSTS AND OTHER OPERATING INCOME (EXPENSES)

Included in other operating income (expenses) are the following:

	The Group		The Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Rental income	130,575	155,000	-	-
Late payment interest received	6,824	-	-	-
Allowance for doubtful debts no longer required	2,237	12,835	-	-
Realised loss on foreign exchange	(157,751)	(18,509)	-	-
Rental of premises	(123,930)	(266,504)	-	-
Audit fee	(61,860)	(53,747)	(5,500)	(4,500)
Gain(Loss) on disposal of property, plant and equipment	(8,763)	14,977	-	-
Property, plant and equipment written-off	(5,869)	(20,299)	-	-
Allowance for doubtful debts	-	(31,339)	-	-

Included in staff costs of the Group and the Company is Employees' Provident Fund contributions of RM692,255 and RM7,123 (RM657,018 and RM540 in 2004) respectively.

7. DIRECTORS' REMUNERATION

	The Group		The Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Executive directors:				
Fees	-	-	-	-
Other emoluments:				
Current	1,286,641	1,389,237	125,839	241,610
Underprovision in prior year	-	84,000	-	-
	1,286,641	1,473,237	125,839	241,610
Non-executive directors:				
Fees	95,667	54,000	95,667	54,000
Other emoluments	8,500	2,500	8,500	2,500
	104,167	56,500	104,167	56,500
	1,390,808	1,529,737	230,006	298,110

Included in directors' other emoluments of the Group and the Company is Employees' Provident Fund contributions of RM136,651 and RM12,839 (RM164,483 and RM25,610 in 2004) respectively.

8. FINANCE COSTS

	The Group		The Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Interest on:				
Bank overdrafts	55,461	59,509	-	-
Hire-purchase	12,178	18,617	6,600	5,500
Finance lease	8,934	4,639	-	-
Long-term loans	36	34,965	-	-
Other borrowings	729,230	703,962	-	-
	805,839	821,692	6,600	5,500

9. INCOME FROM OTHER INVESTMENTS

	The Group		The Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Interest income from:				
Short-term deposits	139,977	113,914	40,500	51,782
Fixed deposits	12,067	29,560	-	-
Gain on disposal of quoted investment	4,070	-	-	-
	156,114	143,474	40,500	51,782

10. INCOME TAX EXPENSE

	The Group		The Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Estimated tax paid/ payable:				
Current year	2,320,700	1,612,150	72,000	15,500
Under(Over)provision in prior years	(118,254)	(282,022)	10,460	-
Deferred tax (Note 23)	-	500,000	-	-
	2,202,446	1,830,128	82,460	15,500

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	
	2005	2004	2005	2004
	RM	RM	RM	RM
Profit before tax	11,645,258	10,487,319	2,219,886	1,962,668
Tax at applicable statutory tax rate of 28% (also 28% in 2004) of chargeable income	3,260,672	2,936,449	621,568	549,547
Tax effects of:				
Expenses that are not deductible in determining taxable profit	224,485	94,784	55,081	21,162
Income that are not taxable in determining taxable profit	(470,611)	(273,363)	(602,000)	(541,800)
Over(Under)provision of current year income tax expense	12,332	255,840	(2,649)	(10,376)
Overprovision of deferred tax liabilities not recognised*	(97,346)	(92,073)	-	(3,033)
Reinvestment allowance utilised	(71,000)	(159,000)	-	-
Double deduction on promotion of exports	(514,000)	(627,389)	-	-
Tax exemption pertaining to a foreign subsidiary	(23,832)	(23,098)	-	-
Under(Over)provision of income tax expense in prior years	(118,254)	(282,022)	10,460	-
Tax expense for the year	2,202,446	1,830,128	82,460	15,500

* The deferred tax liabilities are not recognised in the financial statements as the effect on the financial statements is not material.

11. EARNINGS PER ORDINARY SHARE

	The Group	
	2005	2004
	RM	RM
Basic		
Net profit attributable to ordinary shareholders	9,427,951	8,657,191
	Units	**Units**
Number of ordinary shares in issue as of April 1	86,000,000	77,400,000
Effect of the exercise of ESOS	51,585	-
Effect of share issue	-	3,840,548
Weighted average number of ordinary shares in issue	86,051,585	81,240,548
Basic earnings per ordinary share (sen)	10.96	10.66
	RM	
Fully Diluted		
Net profit attributable to ordinary shareholders	9,427,951	
	Units	
Weighted average number of ordinary shares in issue	86,051,585	
ESOS:		
No. of unissued shares	12,789,000	
No. of shares that would have been issued at fair value	(10,879,579)	
Adjusted weighted average number of ordinary shares for calculating diluted earnings per ordinary share	87,961,006	
Fully diluted earnings per ordinary share (sen)	10.72	

12. PROPERTY, PLANT AND EQUIPMENT

The Group

	Cost except as otherwise stated				
	Beginning of year RM	Additions RM	Disposals RM	Foreign currency fluctuations RM	End of year RM
Freehold land					
- at cost	1,700,000	1,583,375	-	-	3,283,375
- at 2003 valuation	5,506,000	-	-	-	5,506,000
Freehold land and building	155,000	-	-	-	155,000
Long leasehold land					
- at 2003 valuation	5,082,203	-	-	77,593	5,159,796
Buildings					
- at cost	2,434,110	188,235	-	1,925	2,624,270
- at 2003 valuation	11,078,313	-	-	53,135	11,131,448
Plant and machineries	9,469,519	530,559	(115,822)	-	9,884,256
Forklifts	1,140,371	89,000	-	7,475	1,236,846
Motor vehicles	634,357	19,200	-	-	653,557
Motor vehicles under hire-purchase	615,334	141,902	-	-	757,236
Motor vehicles under finance lease	477,008	298,382	-	14,261	789,651
Furniture, fittings and equipment	1,192,284	200,757	(12,958)	830	1,380,913
Signboard	12,300	-	-	-	12,300
Stores	52,821	2,900	-	-	55,721
Cabin	46,368	-	-	-	46,368
Computer equipment	51,892	11,215	-	1,213	64,320
Renovations	72,968	-	-	-	72,968
Electrical fittings and installation	524,001	-	-	-	524,001
Construction work-in-process	-	321,282	-	-	321,282
Total	40,244,849	3,386,807	(128,780)	156,432	43,659,308

	Accumulated Depreciation				
	Beginning of year RM	Charge for the year RM	Disposals RM	Foreign currency fluctuations RM	End of year RM
Long leasehold land					
- at 2003 valuation	452,173	98,407	-	8,043	558,623
Buildings					
- at cost	8,114	57,826	-	39	65,979
- at 2003 valuation	1,009,061	226,034	-	3,345	1,238,440
Plant and machineries	5,330,108	946,779	(96,493)	-	6,180,394
Forklifts	907,180	97,724	-	6,003	1,010,907
Motor vehicles	474,408	93,269	-	-	567,677
Motor vehicles under hire-purchase	194,058	144,352	-	-	338,410
Motor vehicles under finance lease	47,701	77,728	-	2,189	127,618
Furniture, fittings and equipment	517,969	116,887	(2,856)	275	632,275
Signboard	5,139	1,230	-	-	6,369
Stores	35,120	5,403	-	-	40,523
Cabin	25,827	4,637	-	-	30,464
Computer equipment	51,892	11,215	-	1,213	64,320
Renovations	49,217	7,297	-	-	56,514
Electrical fittings and installation	304,493	51,830	-	-	356,323
Total	9,412,460	1,940,618	(99,349)	21,107	11,274,836

	Net Book Value	
	Beginning of year RM	End of year RM
Freehold land		
- at cost	1,700,000	3,283,375
- at 2003 valuation	5,506,000	5,506,000
Freehold land and building	155,000	155,000
Long leasehold land - at 2003 valuation	4,630,030	4,601,173
Buildings		
- at cost	2,425,996	2,558,291
- at 2003 valuation	10,069,252	9,893,008
Plant and machineries	4,139,411	3,703,862
Forklifts	233,191	225,939
Motor vehicles	159,949	85,880
Motor vehicles under hire-purchase	421,276	418,826
Motor vehicles under finance lease	429,307	662,033
Furniture, fittings and equipment	674,315	748,638
Signboard	7,161	5,931
Stores	17,701	15,198
Cabin	20,541	15,904
Computer equipment	-	-
Renovations	23,751	16,454
Electrical fittings and installation	219,508	167,678
Construction work-in-progress	-	321,282
Total	30,832,389	32,384,472

The Company

	Cost			
	Beginning of year RM	Addition RM	Disposal RM	End of year RM
Motor vehicle under hire-purchase	422,338	-	-	422,338

	Accumulated Depreciation			
	Beginning of year RM	Charge for the year RM	Disposal RM	End of year RM
Motor vehicle under hire-purchase	77,428	84,468	-	161,896

	Net Book Value	
	Beginning of year RM	End of year RM
Motor vehicle under hire-purchase	344,910	260,442

The freehold land, leasehold land and buildings of the Group were revalued by the directors on March 31, 2003 based on valuations carried out by Mr. Samuel W. C. Tan and Mr. Tan Wee Cheng, Mr. Anthony Chua Kian Beng and Mr. Paul Chi Chew, registered valuers of KGV - Lambert Smith Hampton (Johor) Sdn. Bhd., KGV-Lambert Smith Hampton (M) Sdn. Bhd. and CKS Property Consultants Pte. Ltd. respectively, independent firms of professional valuers, using "open market value on existing use" basis.

The historical costs and carrying value of the revalued freehold land, leasehold land and buildings are as follows:

	The Group 2005 RM	The Group 2004 RM
Freehold land	3,328,076	3,328,076
Leasehold land	3,826,617	3,826,617
Buildings	9,741,853	9,741,853
	16,896,546	16,896,546
Accumulated depreciation:		
Leasehold land	487,972	413,719
Buildings	1,112,626	919,298
	(1,600,598)	(1,333,017)
Net Book Value	15,295,948	15,563,529

The carrying value of property, plant and equipment of the Group (all pertaining to the subsidiary companies) amounting to RM21,462,470 (RM21,962,738 in 2004) are pledged for securing bank borrowings (Note 22).

13. INVESTMENTS IN SUBSIDIARY COMPANIES

	The Company 2005 RM	The Company 2004 RM
Unquoted shares:		
At cost	976,000	-
At valuation:		
2003	-	44,100,666
2005	66,066,811	-
	67,042,811	44,100,666

The investment in subsidiary companies were revalued by the directors based on the net tangible assets value of the subsidiary companies as of March 31, 2005 (March 31, 2002 in 2003). The surplus arising from the revaluation amounting to RM21,966,145 (RM36,891,298 in 2003) has been credited to revaluation reserve account.

The subsidiary companies are as follows:

Name of Company	Effective Equity Interest 2005	Effective Equity Interest 2004	Country of Incorporation	Principal Activities
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
Akati Impex Pte. Ltd.	100%	100%	Singapore	Importers, distributors and exporters of all types of wood products
Combi Trading Sdn. Bhd.	100%	100%	Malaysia	Distributing of wood products
Ikta Sdn. Bhd.	100%	100%	Malaysia	Distributing of wood products
Jurihan Sdn. Bhd.	100%	100%	Malaysia	Distributing of wood products and building materials
Kim Guan Impex Sdn. Bhd.	70%	-	Malaysia	Distributing of wood products and building materials

During the financial year, the Company acquired 70% equity interest comprising 700,000 ordinary shares of RM1 each in Kim Guan Impex Sdn. Bhd. The acquisition was completed on November 30, 2004.

The effect of this acquisition on the financial results of the Group for the current financial year is as follows:

Post-acquisition results of a subsidiary company acquired:

	2005 RM
Revenue	1,946,323
Other operating expenses	(1,884,788)
Profit before tax	61,535
Income tax expense	(12,000)
Minority interests	(14,861)
Increase in Group profit attributable to shareholders	34,674

The effect of this acquisition on the financial position of the Group as at year end is as follows:

	2005 RM
Property, plant and equipment	120,992
Inventories	1,652,370
Trade receivables	1,531,110
Deposits and prepaid expenses	143,008
Cash and bank balances	435,053
Trade payables	(731,552)
Accrued expenses	(7,404)
Amount owing to a related company	(56,800)
Borrowings	(2,025,242)
Tax liabilities	(12,000)
Minority interests	(314,861)
Group's share of net assets	734,674

14. GOODWILL ON CONSOLIDATION

	The Group 2005 RM	2004 RM
At beginning of year	637,020	668,352
Goodwill arising from acquisition of a subsidiary company	276,000	-
Amortisation during the year	(34,092)	(31,332)
At end of year	878,928	637,020

15. INVENTORIES

	The Group 2005 RM	2004 RM
At cost:		
Raw materials	5,860,171	4,524,349
Work-in-progress	541,376	280,967
Finished goods	1,660,555	1,797,667
Consumables	1,306,140	1,115,261
Trading merchandise	16,432,133	15,848,574
Inventories-in-transit	242,515	3,856,036
Total	26,042,890	27,422,854

16. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES

	The Group		The Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Trade receivables	37,105,980	31,348,617	-	-
Allowance for doubtful debts	(77,018)	(145,843)	-	-
	37,028,962	31,202,774	-	-
Other receivables	332,428	171,152	18,400	-
Refundable deposits	352,802	208,669	1,000	1,000
Prepaid expenses	639,041	377,996	49,040	53,605
	1,324,271	757,817	68,440	54,605

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

	The Group (all pertaining to subsidiary companies)	
	2005 RM	2004 RM
Trade receivables:		
Australian Dollar	1,861,066	2,042,977
Singapore Dollar	1,150,064	1,714,571
United States Dollar	1,034,118	1,891,002
Sterling Pound	180,325	82,909
EURO	63,587	-
Other receivables:		
Singapore Dollar	216,526	129,961

Trade receivables comprise amounts receivable for the sales of goods. Other receivables comprise mainly advances for purchases, interest receivable and staff loans.

The credit period granted on sales of goods ranges from 30 days to 90 days (also 30 days to 90 days in 2004). An allowance has been made for estimated irrecoverable amounts of trade receivables of RM77,018 (RM145,843 in 2004) based on the default experience of the Group.

17. HOLDING COMPANY AND RELATED PARTIES TRANSACTIONS

The Company is a 51% - owned 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.

The amount owing by (to) subsidiary companies arose mainly from management fee receivable, advances and payments made on behalf which are unsecured, interest-free and have no fixed terms of repayment.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operation decisions.

The related parties and their relationship with the Company are as follows:

Name of related party	Relationship
Cheng Yew Heng Manufactory Sdn. Bhd.	A company in which Teo Ah Bah @ Teo Chuang Kwee is a director and substantial shareholder. His brothers, Teo Choon Kiat @ Teo Chuan Kit and Teo Ah Tee @ Teo Chuan How are also the directors and substantial shareholders and are deemed to be connected with Teo Ah Bah @ Teo Chuang Kwee.
Teo Ah Tee @ Teo Chuan How, Er Lee Keng, Teo Choon Kiat @ Teo Chuan Kit and Heng Yik Poh	Shareholders of the Company.

Significant transactions undertaken with related parties during the financial year are as follows:

	The Group		The Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Subsidiary companies				
Dividend income:				
Premier Woodprofile Sdn. Bhd.	-	-	1,888,833	-
Combi Trading Sdn. Bhd.	-	-	261,167	739,698
Ikta Sdn. Bhd.	-	-	-	1,195,302
Management fee income:				
Premier Woodprofile Sdn. Bhd.	-	-	120,000	120,000
Ikta Sdn. Bhd.	-	-	120,000	120,000
Bripanel Industries Sdn. Bhd.	-	-	120,000	120,000
Combi Trading Sdn. Bhd.	-	-	120,000	60,000
Jurihan Sdn. Bhd.			120,000	-
Kim Guan Impex Sdn. Bhd.	-	-	9,000	-
Related parties				
Rental of premises paid:				
Cheng Yew Heng Manufactory Sdn. Bhd.	-	77,000	-	-
Remuneration paid to shareholders	541,080	577,071	-	-

The directors of the Group and of the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established under terms that are no less favourable than those arranged with independent third parties.

18. CASH AND BANK BALANCES

	The Group		The Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Short-term deposits with a licensed bank	3,606,100	4,586,400	1,500,000	1,500,000
Fixed deposits with licensed banks	-	569,384	-	-
Cash on hand and at banks	2,880,981	2,083,577	586,621	46,601
	6,487,081	7,239,361	2,086,621	1,546,601

The foreign currency exposure profile of cash and bank balances is as follows:

	The Group (all pertaining to subsidiary companies)	
	2005	2004
	RM	RM
Cash and bank balances:		
United States Dollar	720,606	56,734
Singapore Dollar	11,529	11,304
Australian Dollar	1,653	2,159
Canadian Dollar	1,152	1,152
Sterling Pound	918	918
EURO	192	192
Korean Won	78	78
Vietnam Dong	5	713
Short-term deposits:		
Australian Dollar	296,100	1,736,400

In 2004, fixed deposits of the Group (all pertaining to subsidiary companies) amounting to RM569,384 are pledged as securities for bank guarantees and credit facilities granted to its subsidiary companies as mentioned in Note 22.

The average effective interest rates for deposits for the Group and the Company are 2.71% and 2.70% (3.36% and 2.70% in 2004) per annum respectively.

Deposits of the Group and the Company have average maturities ranging from 5 days to 1 month and 1 month (7 days to 1 year and 1 month in 2004) respectively.

19. 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 30 days to 45 days (also 30 days to 45 days in 2004).

	The Group		The Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Other payables	597,239	470,553	1,002	-
Accrued expenses	620,077	1,069,719	44,000	4,500
	1,217,316	1,540,272	45,002	4,500

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

	The Group (all pertaining to subsidiary companies)	
	2005 RM	2004 RM
Trade payables		
Singapore Dollar	297,245	546,728
United States Dollar	69,133	501,899
EURO	41,364	-
Other payables		
Singapore Dollar	306,533	261,448
EURO	130,633	-
Sterling Pound	8,562	-
United States Dollar	-	8,155

The amounts owing arose mainly from trade transactions, rental payables, advances and payments on behalf. The amounts owing are interest free and have no fixed terms of repayment.

20. HIRE-PURCHASE PAYABLES

	The Group		The Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Total outstanding	190,620	213,720	85,468	158,740
Less: interest-in-suspense outstanding	(23,945)	(22,923)	(7,700)	(14,300)
Principal outstanding	166,675	190,797	77,768	144,440
Less: Amount due within 12 months (shown under current liabilities)	(100,635)	(90,684)	(66,672)	(66,672)
Non-current portion	66,040	100,113	11,096	77,768

The non-current portion is repayable as follows:

	The Group		The Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
For financial years ending March 31:				
2006	-	84,640	-	66,672
2007	28,748	15,473	11,096	11,096
2008	16,008	-	-	-
2009	16,008	-	-	-
2010	5,276	-	-	-
	66,040	100,113	11,096	77,768

It is the Group's policy to acquire certain of its 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, 2005, the average effective borrowing rates for the Group and the Company were 7.53% and 6.24% (8.075% and 6.24% in 2004) per annum respectively. 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.

21. FINANCE LEASE PAYABLES

	The Group			
	Minimum lease payments		Present value of minimum lease payment	
	2005	2004	2005	2004
	RM	RM	RM	RM
Amounts payable under finance lease				
Within one year	118,943	80,572	108,668	75,363
In the second year	190,113	87,240	166,721	81,625
	309,056	167,812	275,389	156,988
Less: Future finance charges	(33,667)	(10,824)	N/A	N/A
	275,389	156,988	275,389	156,988

The non-current portion is repayable as follows:

	The Group	
	2005	2004
	RM	RM
Financial years ending March 31:		
2006	-	75,363
2007	32,281	6,262
2008	32,281	-
2009	32,281	-
2010	69,878	-
	166,721	81,625

It is the Group's policy to lease certain of its property, plant and equipment under finance lease. The average lease is about 3 to 7 years. For the financial year ended March 31, 2005, the average effective borrowing rate was 4.3% (4.4% in 2004) per annum. Interest rates are fixed at the inception of the lease. All finance leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payment.

22. BORROWINGS

	The Group	
	2005 RM	2004 RM
Secured:		
Long-term loan	-	129,279
Bank overdrafts	961,270	1,579,847
Other borrowings	8,824,275	18,759,860
Unsecured:		
Bank overdrafts	455,288	117,365
Other borrowings	8,147,000	2,002,000
	18,387,833	22,588,351
Less: Amount due within 12 months (shown under current liabilities)	(18,387,833)	(22,588,351)
Non-current portion	-	-

The foreign currency exposure profile of borrowings is as follows:

	The Group	
	2005 RM	2004 RM
Singapore Dollar	603,645	3,934,898

The average effective interest rates are as follows:

	The Group	
	2005 %	2004 %
Long-term loan	6.50	6.50
Bank overdrafts	6.37	7.42
Other borrowings	4.17	4.66

The secured bank borrowings are generally secured by certain property, plant and equipment of subsidiary companies (fixed deposits and certain property, plant and equipment of subsidiary companies in 2004). These credit facilities are guaranteed by the Company (guaranteed by the Company and also jointly and severally guaranteed by the directors of the subsidiary companies in 2004).

Long-term loan (all pertaining to a subsidiary company) obtained from a financial institution is repayable by thirty-nine (39) equal monthly instalments of RM65,165 (inclusive of interest) commencing April, 2001.

23. DEFERRED TAX LIABILITIES

	The Group	
	2005 RM	2004 RM
At beginning of year	1,620,600	1,120,600
Transfer from income statements (Note 10)	-	500,000
At end of year	1,620,600	1,620,600

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

	2005 RM	2004 RM
Tax effects of:		
Temporary differences arising from:		
Property, plant and equipment	1,152,600	1,152,600
Revaluation surplus	468,000	468,000
	1,620,600	1,620,600

24. SHARE CAPITAL

	The Group and the Company			
	2005	2004	2005	2004
	No. of ordinary shares		RM	RM
Authorised:				
Ordinary share of RM0.50 each	200,000,000	200,000,000	100,000,000	100,000,000
Issued and fully paid:				
At beginning of year	86,000,000	77,400,000	43,000,000	38,700,000
Issue during the year:				
Exercise of share options	111,000	-	55,500	-
Share issue	-	8,600,000	-	4,300,000
At end of year	86,111,000	86,000,000	43,055,500	43,000,000

The issued and paid-up ordinary share capital of the Company was increased from RM43,000,000 to RM43,055,500 during the financial year by way of issues of 111,000 new ordinary shares of RM0.50 each for cash pursuant to the Employees' Share Option Scheme (ESOS) of the Company at an exercise price of RM0.66 per ordinary share.

The resulting premium arising from the shares issued above of RM17,760, 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 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.

The salient features of the ESOS are as follows:-

(a) 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;

(b) 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 Scheme based on parameters as set out in the By-Laws approved by the Bursa Securities;

(c) the ESOS shall be in force for a maximum period of five(5) years from August 2, 2004; and

(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 the Bursa Securities for the day) of the ordinary shares as quoted and shown in the Daily Official List issued by the 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.

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 Option.

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

Date of offer	Exercise price per ordinary share RM	Balance as of 1.4.2004	Granted	Exercised	Balance as of 31.03.2005
August 2, 2004	0.66	-	12,900,000	(111,000)	12,789,000

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.

25. RESERVES

	The Group		The Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Non distributable reserves:				
Share premium	187,476	169,716	187,476	169,716
Revaluation reserve	3,862,922	3,862,922	26,297,067	4,330,922
Translation reserve	899,077	697,214	-	-
	4,949,475	4,729,852	26,484,543	4,500,638
Distributable reserve:				
Unappropriated profit (Accumulated loss)	22,072,298	14,794,347	(120,020)	(107,446)
	27,021,773	19,524,199	26,364,523	4,393,192

Share premium

Share premium arose from the following:

	The Group and the Company	
	2005	2004
	RM	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	-
	2,611,217	2,593,457
Bonus issue	(1,025,998)	(1,025,998)
Share issue expenses	(1,397,743)	(1,397,743)
	187,476	169,716

Revaluation reserve

The revaluation reserve is used to record increase and decrease in revaluation of non-current assets, as described in the accounting policies. This amount arose from the revaluation of landed properties and investment in subsidiary companies by the Group and the Company as disclosed in Note 12 and Note 13 respectively.

Translation reserve

Exchange differences arising on translation of foreign controlled entities, are taken to the translation reserve, as described in the accounting policies.

Unappropriated profit

Distributable reserves are those available for distribution by way of dividends. As of the end of the financial year, the Company does not have any profit available for distribution as dividends.

26. CASH AND CASH EQUIVALENTS

	Cash and cash equivalents comprise the following:			
	The Group		The Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Short-term deposits	3,606,100	4,586,400	1,500,000	1,500,000
Fixed deposits	-	569,384	-	-
Cash on hand and at banks	2,880,981	2,083,577	586,621	46,601
Bank overdrafts	(1,416,558)	(1,697,212)	-	-
	5,070,523	5,542,149	2,086,621	1,546,601
Less: Fixed deposits pledged to banks	-	(569,384)	-	-
	5,070,523	4,972,765	2,086,621	1,546,601

27. 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.

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.

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. The Group does not utilise any foreign currency forward contracts for trading or other speculative purposes.

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.

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.

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 ways 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.

Credit risk

The Group and the Company are exposed to credit risk mainly from trade receivables and cash and bank balances. The Group extends credit to its customers based upon careful evaluation of the customer's financial condition and credit history.

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.

Liquidity risk

The Group and the Company practice 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.

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 Assets

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

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

Financial Liabilities and Equity Instruments

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

Significant financial liabilities include trade and other payables, amount owing to another subsidiary company, hire-purchase payables, finance lease payables and borrowings.

Borrowings are recorded at the proceeds received net of direct issue costs. Finance charges are accounted for on accrual basis.

Equity instruments are recorded at the proceeds received net of direct issue costs.

Fair Values

Cash and cash equivalents, trade and other receivables, trade and other payables, hire-purchase payables, finance lease payables and borrowings

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

28. DIVIDENDS

A final dividend of 2.5 sen per ordinary share, tax-exempt, amounting to RM2,150,000, proposed in the previous financial year and dealt with in the previous directors' report was paid by the Company during the financial year.

Pending the declaration of dividends by a subsidiary company amounting to RM2,250,000, the directors have proposed a final dividend of 2.5 sen per ordinary share, tax-exempt, amounting to RM2,152,775, in respect of the current financial year. This 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. The proposed final dividend for 2005 is payable in respect of all ordinary shares in issue as at the date of the financial statements.

Dividend per share is 2.5 sen (also 2.5 sen in 2004).

29. CONTINGENT LIABILITIES

As of March 31, 2005, the Group (all pertaining to the subsidiary companies) has credit facilities from licensed banks, a financial institution and third parties totalling RM92,396,400 (RM49,050,000 in 2004) which are guaranteed by the Company. Accordingly, the Company is contingently liable to the extent of credit facilities utilised by the said subsidiary companies as of year-end amounting to about RM19,727,000 (RM19,464,000 in 2004).

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

30. CAPITAL COMMITMENTS

As of March 31, 2005, the Group (all pertaining to the subsidiary companies) has the following capital commitments:

	2005 RM	2004 RM
Contracted but not provided for:		
Construction of factory buildings	2,475,000	-
Purchase of land and buildings	1,432,000	-
Purchase of motor vehicle	133,212	148,000
Approved but not contracted for:		
Purchase of motor vehicles	367,000	-
	4,407,212	148,000

31. SUBSEQUENT EVENTS

Subsequent to the financial year end, the Company:

(1) acquired two wholly-owned subsidiary companies, Green Panel Pty. Ltd. (which is incorporated in Australia) and Ecopanel Industries Sdn. Bhd. (which is incorporated in Malaysia) for a consideration of AUD12 (approximately RM35) and RM2 respectively; and

(2) subscribed for additional 99,988 and 499,998 ordinary shares of AUD1 (approximately RM2.92) and RM1 each at par respectively in its wholly-owned subsidiary companies, Green Panel Pty Ltd and Ecopanel Industries Sdn. Bhd. for a total consideration of AUD99,988 (approximately RM291,632) and RM499,998 respectively.

Statement By Directors

The directors of **DOMINANT ENTERPRISE BERHAD** state that, in their opinion, the accompanying balance sheets and the related statements of income, cash flows and changes in equity are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and the Company as of March 31, 2005 and of the results of their businesses and the cash flows of the Group and 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
May 28, 2005

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 statements of income, cash flows and changes in equity 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 May 28, 2005)

Before me,

COMMISSIONER FOR OATHS

Analysis of Shareholdings as at 18 July, 2005

Authorised Capital	:	RM 100,000,000
Issued and Paid-up Capital	:	RM 43,060,500
Class of shares	:	Ordinary Shares of RM 0.50 each
Voting Rights	:	One vote per ordinary share

SIZE OF SHAREHOLDINGS

Size	No. of Holders	%	No. of Share Held	%
1-99	4	0.17	164	0.00
100-1,000	689	28.65	391,356	0.45
1,001-10,000	1,355	56.34	6,094,305	7.08
10,001-100,000	309	12.85	8,974,043	10.42
100,001-4,306,049 *	47	1.95	26,473,432	30.74
4,306,050 and above **	1	0.04	44,187,700	51.31
Total	2,405	100.00	86,121,000	100.00

* *less than 5% of issued shares*
* * *5% and above of issued shares*

THIRTY LARGEST SHAREHOLDERS

	Name	No. of Share Held	%
1	NS PACIFIC SDN BHD	44,187,700	51.31
2	AMMB NOMINEES (TEMPATAN) SDN BHD AMTRUSTEE BERHAD FOR MOHD TAHIR BIN MOHD TAP (7/1023-5)	3,009,996	3.50
3	AMMB NOMINEES (TEMPATAN) SDN BHD AMTRUSTEE BERHAD FOR MOHD KHALID BIN IDRIS (7/1022-7)	2,408,006	2.80
4	LAU AH LEK @ LAU BENG HOCK	2,022,700	2.35
5	SALLEHUDDIN BIN SAIDON	1,923,897	2.23
6	CHUAN HOE SENG REALTY SDN BHD	1,814,600	2.11
7	TAMAN BUNGA MERLIMAU SDN BHD	1,747,800	2.03
8	LOW CHWEE TIAN	1,364,278	1.58
9	CHUA SU BOI @ CHUA SIEW LIAN	1,000,000	1.16
10	TEO CHOON KIAT @ TEO CHUAN KIT	799,959	0.93
11	TAN SUE PENG	690,300	0.80
12	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOONG FOONG MING (CEB)	626,300	0.73
13	CHA AKU WAI @ SIA AH KOW	538,132	0.62
14	KHAIRUL ANUAR BIN JAMALUDIN	502,000	0.58
15	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR OSK-UOB SMALL CAP OPPORTUNITY UNIT TRUST (3548)	478,600	0.56
16	TEO AH MOI @ TEO TIANG TIANG	450,000	0.52
17	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OH KIM SUN	422,400	0.49
18	TAN HON KIAT @ TAN HOON SIONG	420,403	0.49

Name	No. of Share Held	%
19 ONG TENG SER	388,914	0.45
20 TEO CHEA HUNG	365,600	0.42
21 TEO CHIEW PENG	363,456	0.42
22 TEO AH TEE @ TEO CHUAN HOW	350,145	0.41
23 TEO AH BAH @ TEO CHUANG KWEE	343,365	0.40
24 PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN KAI KHOON (E-PPG/LMM)	300,000	0.35
25 TAI YEE FONG	286,400	0.33
26 TEE AH TA @ TEE SIN YONG	250,200	0.29
27 KOO MEE LING	249,000	0.29
28 OWEE YIH CHYUN	226,000	0.26
29 TEO YU LING	210,000	0.24
30 TEO CHIEW LUAN @ TEO CHIEW NGOH	200,054	0.23

SUBSTANTIAL SHAREHOLDERS WITH HOLDINGS OF 5% AND ABOVE

Name	Direct		Indirect	
	No. of Shares Held	%	No. of Shares Held	%
Ns Pacific Sdn Bhd	44,187,700	51.31	-	-
Cha Aku Wai @ Sia Ah Kow	538,132	0.62	* 44,551,156	51.73
Teo Chiew Peng	363,456	0.42	** 44,725,832	51.93

* *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.*

DIRECTORS' SHAREHOLDINGS

Name	Direct		Indirect	
	No. of Shares Held	%	No. of Shares Held	%
Teo Ah Bah @ Teo Chuang Kwee	343,365	0.40	* 46,410	0.05
Cha Aku Wai @ Sia Ah Kow	538,132	0.62	** 44,551,156	51.73
Kuah Kwai Yoke @ Kuah Boo Cheng	129,983	0.15	-	-
Chai Soon Too	116,064	0.13	-	-
Owee Geok Choon	20,181	0.02	*** 30,000	0.03
Hj Mohd Khalid Bin Idris	2,408,006	2.80	-	-
Tan Meng Poo	21,000	0.02	-	-
Johnson Kandasamy A/L David Nagappan	-	-	-	-

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

List Of Properties

A summary of the details of Dominant Group's landed properties is as follows:

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 2005 RM	Date of revaluation	Date of Acquisition
1. MLO 5502 (Lot 8619) HS(D) 11272 Mukim of Senai-Kulai, District of Johor Bahru, State of Johor	4261.2	10421.0	Single storey detached factory with double storey front office annexed	Freehold	13	4,878,366	26.07.2002	21.12.1999
2. HS(D) 208603 PTD 41088 Mukim of Senai-Kulai, District of Johor Bahru, State of Johor	3532.2	8317.3	Single storey detached factory with two double storey office annexed	Freehold	9	4,137,830	N/A	25.09.2002
3. Lot MK 7-3134M 22, Tuas View Square Singapore 637603	1520.6	2166.0	Single storey detached factory with three storey ancillary office	Leasehold 60 years expiring on 29.10.2056	4	#6,565,992	03.08.2002	12.03.1999
4. PT 348 HS(D) 26394 Mukim of 13 District of Seberang Perai Tengah, Pulau Pinang	2017.3	4049.0	Single storey detached actory building with double storey office annex	Leasehold 60 years expiring on 24.8.2058	8	2,253,119	05.08.2002	17.06.1995
5. Lot P.T 43314 HS(D) 128747 Mukim and District of Petaling, State of Selangor	2295.3	4047.0	Single storey detached factory building with double storey office annex	Freehold	7	3,346,776	30.07.2002	11.03.1996
6. Lot 5151 HS(M) 1780, Mukim 14 District of Seberang Perai Tengah, Pulau Pinang	83.6	111.0	Double storey terrace house	Freehold	12	155,000	N/A	05.07.2001
7. Lot 37602 (formerly PTD 65854), Geran 74521 Mukim of Tebrau, District of Johor Bahru, State of Johor	1335.0	2485.0	$1^1/_2$ storey detached factory	Freehold	9	2,268,490	01.08.2002	15.02.1995
8. PTD 1508 HS(D) 21332 Mukim of Sungai Terap, District of Muar, State of Johor	1992.8	2266.2	Single storey detached factory with double storey office annexed	Leasehold 60 years expiring on 20.5.2056	7	1,178,646	29.07.2002	13.01.1994
9. GM 2314 Lot 1439 Mukim of Sungai Terap, District of Muar, State of Johor	N/A	4814.0	Building under construction	Freehold	N/A	640,495	N/A	24.05.2004
10. GM 1561 Lot 268 Mukim of Sungai Terap, District of Muar, State of Johor	N/A	7082.0	Building under construction	Freehold	N/A	942,880	N/A	24.05.2004

Note : The revaluation of the landed properties as disclosed above has been incorporated in the respective accounts of the subsidiaries of Dominant in the financial year ended 31 March 2003. Thus, the Group does not adopt any revaluation policy on the landed properties in financial year ended 31 March 2005.

\# Being S$ 2,892,890 converted at the closing rate of RM 2.2697 as at 31 March 2005

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 Thirteenth Annual General Meeting of the Company to be held at Pulai Springs Resort, Dewan Inderaputera, 20km, Jalan Pontian Lama, Pulai, Johor on Monday, 5 September 2005 at 10.00am and any adjournment thereof.

RESOLUTIONS			*FOR	*AGAINST
1. ADOPTION OF DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS		- Resolution 1		
2. APPROVAL OF FINAL DIVIDEND		- Resolution 2		
3. APPROVAL OF DIRECTORS' FEES		- Resolution 3		
4. RE-ELECTION OF DIRECTORS:-				
(a) Hj Mohd Khalid Bin Idris	- Article 84	- Resolution 4		
(b) Mr. Tan Meng Poo	- Article 84	- Resolution 5		
(c) Mr. Johnson Kandasamy A/L David Nagappan	- Article 91	- Resolution 6		
5. RE-APPOINTMENT OF AUDITORS		-Resolution 7		
6. SPECIAL BUSINESS: AUTHORITY PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965		- Resolution 8		

(*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 discretion).

Dated this ____________________ day of ______________________ 2005

Signed

No. of Ordinary Shares Held

____

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. 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.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company situated at No. 19 Jalan Tun Abdul Razak, Susur 1/1, 80000 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

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AFFIX
STAMP
HERE

The Company Secretary
DOMINANT ENTERPRISE BERHAD (221206-D)
No. 19 Jalan Tun Abdul Razak,
Susur 1/1,
80000 Johor Bahru,
Johor, Malaysia

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Dominant Enterprise Berhad (221206-D)

18, Jalan Belati 1, Off Jalan Kempas Lama,
Taman Perindustrian Maju Jaya, 81330 Skudai, Johor, Malaysia

Tel: 607-558 8318 Fax: 607-554 3720
Email: debgroup@dominant.com.my

Website: www.dominant.com.my