

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

**CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)**  
**FOR THE FIRST QUARTER ENDED 30 JUNE 2007**

	<u>FYE2008</u>	<u>FYE2007</u>	<u>FYE2008</u>	<u>FYE2007</u>
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 30.06.2007	Preceding Year Corresponding Quarter Ended 30.06.2006	Current Year To Date Ended 30.06.2007	Preceding Year Corresponding Quarter Ended 30.06.2006
	RM'000	RM'000	RM'000	RM'000
Revenue	66,784	78,322	66,784	78,322
Profit from Operations	4,439	5,199	4,439	5,199
Finance Costs	(603)	(734)	(603)	(734)
Investment Income	33	40	33	40
Profit Before Tax	3,869	4,505	3,869	4,505
Income Tax Expense	(728)	(573)	(728)	(573)
Profit After Tax	3,141	3,932	3,141	3,932
Attributable to :				
Equity holders of the parent	3,073	3,917	3,073	3,917
Minority Interest	68	15	68	15
	3,141	3,932	3,141	3,932
Earning Per Share				
- Basic (sen)	2.51	3.25	2.51	3.25
- Diluted (sen)	2.42	-	2.42	-

**The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2007 and the accompanying explanatory notes to the interim financial reports.**

**DOMINANT ENTERPRISE BERHAD**  
**(Company No.221206-D)**  
**CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)**  
**AS AT 30 JUNE 2007**

	<b>As At 30 June 2007 RM'000</b>	<b>As At 31 March 2007 RM'000</b>
<b>ASSETS</b>		
<b><u>Non-Current Assets</u></b>		
Property, plant and equipment	40,397	40,645
Asset held for sale	130	130
Goodwill	837	837
	<u>41,364</u>	<u>41,612</u>
<b><u>Current Assets</u></b>		
Inventories	56,258	47,932
Trade receivables	60,417	53,888
Other receivables and prepaid expenses	1,515	1,788
Cash and bank balances	8,292	8,992
	<u>126,482</u>	<u>112,600</u>
<b>TOTAL ASSETS</b>	<b><u>167,846</u></b>	<b><u>154,212</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b><u>Equity Attributable To Equitable Holders Of The Parent</u></b>		
Share capital	61,764	60,901
Share premium	195	195
Other reserves	4,156	4,167
Retained Earning	20,725	17,652
	<u>86,840</u>	<u>82,915</u>
<b>Minority Interest</b>	804	736
<b>Total Equity</b>	<b><u>87,644</u></b>	<b><u>83,651</u></b>
<b><u>Non-Current Liabilities</u></b>		
Hire purchase payables	72	110
Finance lease payable	91	100
Bank borrowings	1,954	2,320
Deferred tax liabilities	2,008	2,008
	<u>4,125</u>	<u>4,538</u>
<b><u>Current Liabilities</u></b>		
Trade payables	19,460	17,450
Other payables and accrued expenses	4,710	3,101
Hire purchase payables	168	174
Finance lease payable	32	32
Bank borrowings	49,943	43,375
Tax liabilities	1,764	1,891
	<u>76,077</u>	<u>66,023</u>
<b>Total Liabilities</b>	<b><u>80,202</u></b>	<b><u>70,561</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>167,846</u></b>	<b><u>154,212</u></b>
Net assets per share (RM)	0.7030	0.6807

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2007 and the accompanying explanatory notes to the interim financial reports.

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

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)**

	<b>Financial Period Ended 30.06.2007</b>	<b>Financial Period Ended 30.06.2006</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit before taxation	3,869	4,505
<b>Adjustments for : -</b>		
Non-cash items	521	956
Non-operating items	169	704
<i>Operating profit before changes in working capital</i>	<u>4,559</u>	<u>6,165</u>
<b>Changes in working capital</b>		
Net change in current assets	(14,581)	(29,258)
Net change in current liabilities	3,619	11,924
<i>Cash generated from / (used in) operations</i>	<u>(6,403)</u>	<u>(11,169)</u>
Interest paid	(603)	(734)
Income tax paid	(856)	(366)
<b>Net cash from / (used in) operating activities</b>	<u>(7,862)</u>	<u>(12,269)</u>
<b>Net cash from / (used in) investing activities</b>	1,020	(1,831)
<b>Net cash from / (used in) financing activities</b>	<u>3,767</u>	<u>13,680</u>
<b>Net Changes in Cash &amp; Cash Equivalents</b>	<u>(3,075)</u>	<u>(420)</u>
Adjustment for foreign exchange differentials	(7)	34
Cash & Cash Equivalents at beginning of period	6,795	6,944
Cash & Cash Equivalents at end of period	<u><u>3,713</u></u>	<u><u>6,558</u></u>

\* Cash and cash equivalents at end of financial period comprise the following :

Cash and bank balances	8,292	8,966
Less: Bank overdrafts		
(included within short term borrowings in Note B8)	(4,579)	(2,408)
	<u><u>3,713</u></u>	<u><u>6,558</u></u>

**The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2007 and the accompanying explanatory notes to the interim financial reports.**

**DOMINANT ENTERPRISE BERHAD**

(Company No.221206-D)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)**

	<b>Share Capital</b>	<b>Premium</b>	<b>Other Reserves</b>	<b>Retained Earning</b>	<b>Total</b>	<b>Minority Interest</b>	<b>Total Equity</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Balance as at 1 April 2006</b>	60,331	195	4,470	7,401	72,397	446	72,843
Net profit for the period	-	-	-	3,917	3,917	15	3,932
Dividend	-	-	-	-	-	-	-
Translation Deficit	-	-	450	-	450	-	450
<b>Balance as at 30 June 2006</b>	<u>60,331</u>	<u>195</u>	<u>4,920</u>	<u>11,318</u>	<u>76,764</u>	<u>461</u>	<u>77,225</u>
<b>Balance as at 1 April 2007</b>	60,901	195	4,167	17,652	82,915	736	83,651
Issuance of shares							
- pursuant to ESOS	863	-	-	-	863	-	863
Net profit for the period	-	-	-	3,073	3,073	68	3,141
Dividend	-	-	-	-	-	-	-
Translation Deficit	-	-	(11)	-	(11)	-	(11)
<b>Balance as at 30 June 2007</b>	<u>61,764</u>	<u>195</u>	<u>4,156</u>	<u>20,725</u>	<u>86,840</u>	<u>804</u>	<u>87,644</u>

**The Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2007 and the accompanying explanatory notes to the interim financial reports.**

**UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE PERIOD ENDED 30 JUNE 2007**

**Notes to the Interim Financial Report**

**A1. Accounting Policies**

The interim financial reports are unaudited and have been prepared in accordance with FRS 134, Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements. The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2007.

**A2. Change in Accounting Policies**

The significant accounting policies adopted are consistent with those in the audited financial statements for the financial year ended 31 March 2007.

**A3. Audit Qualification on Annual Financial Statements**

The audit report of the Group's annual Financial Statements for the financial year ended 31 March 2007 was not subject to any qualification.

**A4. Seasonal or Cyclical Factors**

The Group's business operations are not significantly affected by any seasonal or cyclical factors.

**A5. Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period.

**A6. Material Changes in Accounting Estimates**

There were no changes in accounting estimates for financial period under review.

**A7. Debts and Equity Securities**

In the 1<sup>st</sup> Quarter ended 30 June 2007, a total 1,725,600 new ordinary shares were issued and allotted pursuant to the exercise of the Employees Shares Option Scheme ("ESOS"), at an option price of RM 0.50.

There were no cancellations, share buy-backs, shares held as treasury shares, resale of treasury shares and repayment of debt and equity security during the financial period ended 30 June 2007.

**A8. Dividend Paid**

There were no dividend payments made in current quarter.

**A9. Segmental Reporting**

	<b>Revenue</b> <b>RM'000</b>	<b>Profit before</b> <b>Taxation</b> <b>RM'000</b>	<b>Assets</b> <b>Employed</b> <b>RM'000</b>
Manufacturing Division	16,462	1,609	48,077
Distributing Division	50,322	2,189	117,132
	<u>66,784</u>	<u>3,798</u>	<u>165,209</u>
Unallocated corporate profit / assets		71	1,800
		<u>3,869</u>	<u>167,009</u>

**A10. Valuations of Property, Plant and Equipment**

The valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

**A11. Subsequent Material Events**

There are no subsequent material events that are required to be reflected in the current quarter.

**A12. Changes in the Composition of the Group**

There were no changes in Composition of the Group for current quarter under review.

**A13. Contingent Liabilities**

As of 30 June 2007, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 168.98million (RM 157.66 million in March 2007) which are guaranteed by the Company. Accordingly, the Company is contingently liable to the extent of credit facilities utilised by its subsidiary companies as of period-end amounting to about RM 55.31 million (RM 49.11 million in March 2007).

**A14. Capital Commitments**

As of 30 June 2007, the Group has the following capital commitments:

	<b>RM'000</b>
Approved but not contracted for :	
Purchase of land	1,178
	<u>=====</u>

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

**B1. Review of the Performance**

For the financial period ended 30 June 2007, the Group recorded a revenue of RM 66.78 million and profit before tax (“PBT”) of RM 3.87 million. This represented a reduction of 14.73% and 14.12% in revenue and PBT respectively as compared to the results in the preceding year corresponding quarter ended 30 June 2006. The reduction in the Group’s PBT was mainly due to the reduction of the sales volume.

**B2. Variation of Results Against Preceding Quarter**

For current quarter under review, the Group’s revenue growth was 4.15% as compared to RM 64.12 million in the preceding quarter ended 31 March 2007. The PBT has slightly declined by RM 0.10 million from RM 3.97 million to RM 3.87 million.

**B3. Prospects**

The Group’s result in next financial quarters is not expected to be materially different from the current quarter. The Board will continuously take necessary steps to deliver satisfactory results for the coming periods.

**B4. Taxation**

The taxation is calculated based on the profit for the financial period ended 30 June 2007 comprises the following:

	<u>Current Quarter</u> RM’000	<u>Current Year To Date</u> RM’000
<u>Income tax Expenses :</u>		
Current Quarter/Year	728	728
Under-provision in Prior Quarter/Year	-	-
	<u>728</u>	<u>728</u>

The effective tax rate of the Group for financial period ended 30 June 2007 is lower than the statutory tax rate and this is principally due to utilisation of tax allowances.

**B5. Unquoted Investments and/or Properties**

There were no disposals of unquoted investment and/or properties for the quarter under review.

**B6. Quoted Securities**

There were no purchases or disposals of quoted securities for the quarter under review.

**B7. Status of Corporate Proposals**

There was no corporate proposal for the quarter under review.

**B8. Borrowings**

The Group's borrowings as at the end of the reporting period are 100% unsecured :-

	As At 30 June 2007 RM'000	As At 31 March 2007 RM'000
Short Term Borrowing	49,943	43,375
Long Term Borrowing	1,954	2,321
	<u>51,897</u>	<u>45,696</u>
	=====	=====

**B9. Off Balance Sheet Financial Instruments**

There was no financial instrument with off balance sheet risk as at the date of this report.

**B10. Material Litigation**

There was no change in material litigation since the last audited annual balance sheet date.

**B11. Proposed Dividend**

The Board is not recommending any payment of dividend for the current financial period under review.

**B12. Earnings Per Share ("EPS")**

The EPS is derived as follow :-

	<b>Current Quarter</b>	<b>Current Year To Date</b>
Net profit for the period (RM'000)	3,073	3,073
Weighted average number of ordinary shares ('000)	122,631	122,631
EPS (sen)	2.51	2.51
Diluted EPS (sen)	2.42	2.42