

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

**CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)**  
**FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2006**

	<u>FYE2007</u>	<u>FYE2006</u>	<u>FYE2007</u>	<u>FYE2006</u>
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 30.09.2006	Preceding Year Corresponding Quarter Ended 30.09.2005	Current Year To Date Ended 30.09.2006	Preceding Year Corresponding Quarter Ended 30.09.2005
	RM'000	RM'000	RM'000	RM'000
Revenue	<u>70,376</u>	<u>59,622</u>	<u>148,698</u>	<u>108,871</u>
Profit from Operations	5,244	2,659	10,443	6,371
Finance Costs	(619)	(364)	(1,353)	(708)
Investment Income	31	35	71	64
Profit Before Tax	<u>4,656</u>	<u>2,330</u>	<u>9,161</u>	<u>5,727</u>
Income Tax Expense	(1,277)	(462)	(1,850)	(971)
Profit After Tax	<u>3,379</u>	<u>1,868</u>	<u>7,311</u>	<u>4,756</u>
Attributable to :				
Equity holders of the parent	3,284	1,818	7,201	4,670
Minority Interest	<u>95</u>	<u>50</u>	<u>110</u>	<u>86</u>
	<u>3,379</u>	<u>1,868</u>	<u>7,311</u>	<u>4,756</u>
Earning Per Share				
- Basic (sen)	2.72	2.11	5.97	5.42
- Diluted (sen)	-	2.09	-	5.40

**The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2006 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 SEPTEMBER 2006**

	As At 30 September 2006 RM'000	As At 30 June 2006 RM'000
<b>ASSETS</b>		
<b><u>Non-Current Assets</u></b>		
Property, plant and equipment	40,893	37,052
Goodwill	837	837
	<u>41,730</u>	<u>37,889</u>
<b><u>Current Assets</u></b>		
Inventories	43,665	39,864
Trade receivables	58,254	62,920
Other receivables and prepaid expenses	1,639	3,701
Cash and bank balances	8,188	8,966
	<u>111,746</u>	<u>115,451</u>
<b>TOTAL ASSETS</b>	<b><u>153,476</u></b>	<b><u>153,340</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b><u>Equity Attributable To Equitable Holders Of The Parent</u></b>		
Share capital	60,331	60,331
Share premium	195	195
Other reserves	4,306	4,928
Retained Earning	12,792	11,247
	<u>77,624</u>	<u>76,701</u>
<b>Minority Interest</b>	556	461
<b>Total Equity</b>	<b><u>78,180</u></b>	<b><u>77,162</u></b>
<b><u>Non-Current Liabilities</u></b>		
Hire purchase payables	220	333
Finance lease payable	42	46
Bank borrowings	2,720	1,661
Deferred tax liabilities	2,021	2,021
	<u>5,003</u>	<u>4,061</u>
<b><u>Current Liabilities</u></b>		
Trade payables	15,824	15,910
Other payables and accrued expenses	4,838	4,230
Hire purchase payables	151	216
Finance lease payable	110	108
Bank borrowings	48,017	51,143
Tax liabilities	1,353	510
	<u>70,293</u>	<u>72,117</u>
<b>Total Liabilities</b>	<b><u>75,296</u></b>	<b><u>76,178</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>153,476</u></b>	<b><u>153,340</u></b>
Net assets per share (RM)	0.6433	0.6357

**The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2006 and the accompanying explanatory notes to the interim financial reports.**

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

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

	<b>6 Months Period Ended 30.09.2006</b>	<b>Preceding Year Corresponding Period Ended 30.09.2005</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit before taxation	9,161	5,727
<b>Adjustments for : -</b>		
Non-cash items	1,226	973
Non-operating items	90	(127)
<i>Operating profit before changes in working capital</i>	<u>10,477</u>	<u>6,573</u>
<b>Changes in working capital</b>		
Net change in current assets	(17,515)	(22,153)
Net change in current liabilities	2,343	2,923
<i>Cash (used in) operations</i>	<u>(4,695)</u>	<u>(12,657)</u>
Interest paid	(1,353)	(708)
Income tax paid	(1,011)	(1,072)
<b>Net cash used in operating activities</b>	<u>(7,059)</u>	<u>(14,437)</u>
<b>Net cash used in investing activities</b>	(5,506)	(941)
<b>Net cash from financing activities</b>	<u>12,000</u>	<u>15,662</u>
<b>Net Changes in Cash &amp; Cash Equivalents</b>	(565)	284
Cash & Cash Equivalents at beginning of period	<u>6,944</u>	<u>5,070</u>
Cash & Cash Equivalents at end of period	<u><u>6,379</u></u>	<u><u>5,354</u></u>

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

Cash and bank balances	8,188	8,183
Less: Bank overdrafts		
(included within short term borrowings in Note B8)	(1,809)	(2,829)
	<u>6,379</u>	<u>5,354</u>

**The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2006 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 2005</b>	43,056	187	4,762	22,072	70,077	315	70,392
Issuance of shares							
- pursuant to ESOS	24	8	-	-	32	-	32
Profit for the period	-	-	-	4,670	4,670	86	4,756
Dividend	-	-	-	(2,153)	(2,153)	-	(2,153)
Translation Deficit	-	-	(357)	-	(357)	-	(357)
<b>Balance as at 30 September 2005</b>	<u>43,080</u>	<u>195</u>	<u>4,405</u>	<u>24,589</u>	<u>72,269</u>	<u>401</u>	<u>72,670</u>
<b>Balance as at 1 April 2006</b>	60,331	195	4,470	7,401	72,397	446	72,843
Issuance of shares	-	-	-	-	-	-	-
Profit for the period	-	-	-	7,201	7,201	110	7,311
Dividend	-	-	-	(1,810)	(1,810)	-	(1,810)
Translation Deficit	-	-	(164)	-	(164)	-	(164)
<b>Balance as at 30 September 2006</b>	<u>60,331</u>	<u>195</u>	<u>4,306</u>	<u>12,792</u>	<u>77,624</u>	<u>556</u>	<u>78,180</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 2006 and the accompanying explanatory notes to the interim financial reports.**

**UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE 2ND QUARTER ENDED 30 SEPTEMBER 2006**

**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 2006.

**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 2006 except for the adoption of the following new/revised Financial Reporting Standard (“FRS”) mandatory for financial period beginning 1 January 2006.

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earning Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The adoption of FRS 2, 5,102, 108, 110, 116, 121, 128, 132, 133 and 140 does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the other new/revised FRSs are as follows:

**FRS 3: Business Combinations,  
FRS 136: Impairment of Assets and  
FRS 138: Intangible Assets**

The new FRS 3 has resulted in consequential amendments to two other accounting standards, FRS 136 and FRS 138.

The adoption of these new FRSs has resulted in the Group ceasing annual goodwill amortisation. Goodwill which was previously carried at cost less accumulated amortisation, is now tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. Any impairment loss is recognised in income statement and subsequent reversal is not allowed. Prior to 31 March 2006, goodwill was amortised on a straight-line basis over its estimated useful life of 25 years.

The transitional provisions of FRS 3, however, have required the Group to eliminate at 31 March 2006 the carrying amount of the accumulated amortisation of RM222,750 against the cost of goodwill. The carrying amount of goodwill as at 31 March 2006 of RM836,556 ceased to be amortised. This has the effect of reducing the amortisation charges by RM10,593 in the current quarter.

**FRS 101: Presentation of Financial Statements**

**FRS 127: Consolidated and Separate Financial Statements**

The adoption of the revised FRS 101 has affected the presentation of minority interest.

In prior years, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and as deduction from net assets. Minority interest in the result of the Group for the year were also separately presented in the income statement as a deduction before arriving at the profit attributable to shareholders.

With effect from 1 April 2006, in order to comply with FRS 101 and FRS 127, minority interests at the balance sheet date are presented in the consolidated balance sheet within equity, separately from the equity attributable to the equity holders of the parent, and minority interests in the results of the Group for the period are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the period between the minority interests and the equity holders of the parent.

The presentation of minority interest in the consolidated balance sheet, income statement and statement of changes in equity for the comparative period has been restated accordingly.

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

The audit report of the Group's annual Financial Statements for the financial year ended 31 March 2006 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**

There were no issuances, 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 September 2006.

**A8. Dividend Paid**

A final dividend of 1.50 sen, tax-exempt, amounting to RM 1,809,934 in respect of the financial year ended 31 March 2006 was paid by the Company on 3 August 2006.

**A9. Segmental Reporting**

	<b>Revenue</b>	<b>Profit before</b>	<b>Assets</b>
	<b>RM'000</b>	<b>Taxation</b>	<b>Employed</b>
		<b>RM'000</b>	<b>RM'000</b>
Manufacturing Division	33,822	3,403	44,728
Distributing Division	114,876	5,551	105,980
	<u>148,698</u>	<u>8,954</u>	<u>150,708</u>
Unallocated corporate profit / assets		207	2,768
		<u>9,161</u>	<u>153,476</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 September 2006, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 136.31million (RM 115.30 million in Sept 2005) 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 51.78 million (RM 39.20 million in Sept 2005).

**A14. Capital Commitments**

There are no material capital commitments contracted or approved by the Company during the period.

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

**B1. Review of the Performance**

The Group recorded a revenue of RM 70.38 million for the 2<sup>nd</sup> Quarter of financial year ended 31 March 2007. This representing a growth of 18.04% as compare to RM 59.62 million in the preceding year corresponding quarter ended 30 September 2005. The profit before tax (“PBT”) has increased significantly by 100.00% to RM 4.66 million as compared to RM 2.33 million achieved in the previous year corresponding period.

The growth in the Group’s PBT is attributed mainly from to the higher sales volume achieved and the substantial level of price increase in the wood panel industries, which results in a higher profit margin to the Group.

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

The Group’s revenue for the current quarter has declined by 10.14% from RM 78.32 million to RM 70.38 million. However, the PBT has slightly increased by 3.35% from RM 4.51 million to RM 4.66 million. This is contributed by higher profit margin.

**B3. Prospects**

Coupled with competitive pricing policies, barring unforeseen circumstances, the Board expects the Group’s results in current financial year will be more encouraging than the results in the preceding year. 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 ending 30 September 2006 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	931	1,463
Under-provision in Prior Quarter/Year	346	387
	<u>1,277</u>	<u>1,850</u>

The effective tax rate of the Group for financial period ended 30 September 2006 is lower than the statutory tax rate and this is principally due to utilisation of tax allowances.

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

One of the property held by the Company’s wholly-owned subsidiary company namely, Bripanel Industries Sdn. Bhd. has been disposed for a total consideration of RM 1.05 million. The gain on disposal of RM 0.34 million has been included in the Group’s PBT.

**B6. Quoted Securities**

There were no purchase or disposal of quoted securities for the quarter under review.

**B7. Status of Corporate Proposals**

There was no corporate proposal for current quarter under review.

**B8. Borrowings**

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

	As At 30 September 2006 RM'000	As At 30 June 2006 RM'000
Short Term Borrowing	48,017	51,143
Long Term Borrowing	2,720	1,661
	<hr/>	<hr/>
	50,737	52,804
	<hr/> <hr/>	<hr/> <hr/>

**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. Interim Dividend**

The Board has declared an interim dividend of 2sen per share, less 28% tax, for the financial year ending 31 March 2007 (2006: 1.5sen tax exempt) to be paid on 22 December 2006 to shareholders whose names appear in the Record of Depositors at the close of business on 14 December 2006.

This is to inform that a Depositor shall qualify for entitlement only in respect of: -

- a) shares transferred into the Depositor's securities account before 4.00 p.m. on 14 December 2006 in respect of ordinary transfers; and
- b) shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

**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)	3,284	7,201
Number of ordinary shares ('000)	120,662	120,662
EPS (sen)	2.72	5.97

\* The diluted EPS for current quarter is not presented as the effect from exercising of the share options under the ESOS would be anti-dilutive.