

DOMINANT ENTERPRISE BERHAD
(Company No.221206-D)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2007

| | <u>FYE2008</u> | <u>FYE2007</u> | <u>FYE2008</u> | <u>FYE2007</u> |
|------------------------------|--|--|--|--|
| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
| | Current Quarter Ended 30.09.2007 | Preceding Year Corresponding Quarter Ended 30.09.2006 | Current Year To Date Ended 30.09.2007 | Preceding Year Corresponding Quarter Ended 30.09.2006 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 84,315 | 70,376 | 151,099 | 148,698 |
| Profit from Operations | 4,983 | 5,244 | 9,422 | 10,443 |
| Finance Costs | (812) | (619) | (1,415) | (1,353) |
| Investment Income | 44 | 31 | 77 | 71 |
| Profit Before Tax | 4,215 | 4,656 | 8,084 | 9,161 |
| Income Tax Expense | (992) | (1,277) | (1,720) | (1,850) |
| Profit After Tax | 3,223 | 3,379 | 6,364 | 7,311 |
| Attributable to : | | | | |
| Equity holders of the parent | 3,125 | 3,284 | 6,198 | 7,201 |
| Minority Interest | 98 | 95 | 166 | 110 |
| | 3,223 | 3,379 | 6,364 | 7,311 |
| Earning Per Share | | | | |
| - Basic (sen) | 2.52 | 2.72 | 5.03 | 5.97 |
| - Diluted (sen) | 2.44 | - | 4.85 | - |

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 SEPTEMBER 2007

| | As At 30 September 2007 RM'000 | As At 30 June 2007 RM'000 |
|--|--------------------------------------|---------------------------------|
| ASSETS | | |
| <u>Non-Current Assets</u> | | |
| Property, plant and equipment | 40,362 | 40,397 |
| Asset held for sale | 130 | 130 |
| Goodwill | 837 | 837 |
| | 41,329 | 41,364 |
| <u>Current Assets</u> | | |
| Inventories | 59,315 | 56,258 |
| Trade receivables | 74,227 | 60,417 |
| Other receivables and prepaid expenses | 2,051 | 1,515 |
| Cash and bank balances | 7,948 | 8,292 |
| | 143,541 | 126,482 |
| TOTAL ASSETS | 184,870 | 167,846 |
| EQUITY AND LIABILITIES | | |
| <u>Equity Attributable To Equitable Holders Of The Parent</u> | | |
| Share capital | 61,979 | 61,764 |
| Share premium | 195 | 195 |
| Other reserves | 4,670 | 4,156 |
| Retained Earning | 21,991 | 20,725 |
| | 88,835 | 86,840 |
| Minority Interest | 902 | 804 |
| Total Equity | 89,737 | 87,644 |
| <u>Non-Current Liabilities</u> | | |
| Hire purchase payables | 35 | 72 |
| Finance lease payable | 84 | 91 |
| Bank borrowings | 1,773 | 1,954 |
| Deferred tax liabilities | 2,008 | 2,008 |
| | 3,900 | 4,125 |
| <u>Current Liabilities</u> | | |
| Trade payables | 19,344 | 19,460 |
| Other payables and accrued expenses | 4,629 | 4,710 |
| Hire purchase payables | 162 | 168 |
| Finance lease payable | 32 | 32 |
| Bank borrowings | 65,194 | 49,943 |
| Tax liabilities | 1,872 | 1,764 |
| | 91,233 | 76,077 |
| Total Liabilities | 95,133 | 80,202 |
| TOTAL EQUITY AND LIABILITIES | 184,870 | 167,846 |
| Net assets per share (RM) | 0.7167 | 0.7030 |

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)

| | Financial Period Ended 30.09.2007 | Financial Period Ended 30.09.2006 |
|---|--|--|
| | RM'000 | RM'000 |
| Profit before taxation | 8,084 | 9,161 |
| Adjustments for : - | | |
| Non-cash items | 1,448 | 1,226 |
| Non-operating items | 595 | 90 |
| <i>Operating profit before changes in working capital</i> | <u>10,127</u> | <u>10,477</u> |
| Changes in working capital | | |
| Net change in current assets | (31,985) | (17,515) |
| Net change in current liabilities | 3,421 | 2,343 |
| <i>Cash generated from / (used in) operations</i> | <u>(18,437)</u> | <u>(4,695)</u> |
| Interest paid | (1,415) | (1,353) |
| Income tax paid | (1,740) | (1,011) |
| Net cash from / (used in) operating activities | <u>(21,592)</u> | <u>(7,059)</u> |
| Net cash from / (used in) investing activities | 1,238 | (5,506) |
| Net cash from / (used in) financing activities | <u>15,300</u> | <u>12,000</u> |
| Net Changes in Cash & Cash Equivalents | <u>(5,054)</u> | <u>(565)</u> |
| Cash & Cash Equivalents at beginning of period | <u>6,795</u> | <u>6,944</u> |
| Cash & Cash Equivalents at end of period | <u><u>1,741</u></u> | <u><u>6,379</u></u> |

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

| | | |
|--|--------------|--------------|
| Cash and bank balances | 7,948 | 8,188 |
| Less: Bank overdrafts | | |
| (included within short term borrowings in Note B8) | (6,207) | (1,809) |
| | <u>1,741</u> | <u>6,379</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)

| | Share Capital | Premium | Other Reserves | Retained Earning | Total | Minority Interest | Total Equity |
|--|--------------------------|----------------|---------------------------|-----------------------------|---------------|------------------------------|-------------------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Balance as at 1 April 2006 | 60,331 | 195 | 4,470 | 7,401 | 72,397 | 446 | 72,843 |
| Net profit for the period | - | - | - | 7,201 | 7,201 | 110 | 7,311 |
| Dividend | - | - | - | (1,810) | (1,810) | - | (1,810) |
| Translation Deficit | - | - | (164) | - | (164) | - | (164) |
| Balance as at 30 September 2006 | 60,331 | 195 | 4,306 | 12,792 | 77,624 | 556 | 78,180 |
| Balance as at 1 April 2007 | 60,901 | 195 | 4,167 | 17,652 | 82,915 | 736 | 83,651 |
| Issuance of shares | | | | | | | |
| - pursuant to ESOS | 1,078 | - | - | - | 1,078 | - | 1,078 |
| Net profit for the period | - | - | - | 6,198 | 6,198 | 166 | 6,364 |
| Dividend | - | - | - | (1,859) | (1,859) | - | (1,859) |
| Translation Surplus | - | - | 503 | - | 503 | - | 503 |
| Balance as at 30 September 2007 | 61,979 | 195 | 4,670 | 21,991 | 88,835 | 902 | 89,737 |

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 SEPTEMBER 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 2nd Quarter ended 30 Sept 2007, a total 431,200 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 Sept 2007.

A8. Dividend Paid

A final dividend of 1.50 sen, tax-exempt, amounting to RM 1,859,377 in respect of the financial year ended 31 March 2007 was paid by the Company on 7 Sept 2007.

A9. Segmental Reporting

| | Revenue RM'000 | Profit before Taxation RM'000 | Assets Employed RM'000 |
|---------------------------------------|---------------------------------|--|---|
| Manufacturing Division | 32,029 | 3,167 | 44,979 |
| Distributing Division | 119,070 | 4,824 | 135,707 |
| | <u>151,099</u> | <u>7,991</u> | <u>180,686</u> |
| Unallocated corporate profit / assets | | 93 | 3,347 |
| | | <u>8,084</u> | <u>184,033</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 Sept 2007, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 182.28million (RM 168.98 million in June 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 71.31 million (RM 55.31 million in June 2007).

A14. Capital Commitments

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

| | RM'000 |
|-------------------------------|---------------|
| Approved and contracted for : | |
| Purchase of land | 516 |
| | <u>=====</u> |

Additional Information Required by the Bursa Malaysia Listing Requirements

B1. Review of the Performance

For the 2nd quarter ended 30 Sept 2007, the Group recorded a revenue of RM 84.32 million. This represented an increase of 19.81% as compared to the results in the preceding year corresponding quarter ended 30 Sept 2006. However, the profit before tax (“PBT”) has decrease by 9.44% from RM 4.66 million to RM 4.22 million. The declined in the Group’s PBT was mainly due to higher raw material costs and operating costs.

B2. Variation of Results Against Preceding Quarter

For current quarter under review, the Group’s revenue growth was 26.25% as compared to RM 66.78 million in the preceding quarter ended 30 June 2007. The PBT has increase by 9.04% from RM 3.87 million to RM 4.22 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 Sept 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 | 990 | 1,718 |
| Under-provision in Prior Quarter/Year | 2 | 2 |
| | <u>992</u> | <u>1,720</u> |

The effective tax rate of the Group for financial period ended 30 Sept 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 Sept 2007 RM'000 | As At 30 June 2007 RM'000 |
|----------------------|---------------------------------|---------------------------------|
| Short Term Borrowing | 65,194 | 49,943 |
| Long Term Borrowing | 1,773 | 1,954 |
| | <hr/> | <hr/> |
| | 66,967 | 51,897 |
| | <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. Proposed Interim Dividend

The Board would like to proposed an interim dividend of 1.5 sen per share, tax exempted, for the financial year ending 31 March 2008 (2007: 2 sen less 27%) to be paid on 24 December 2007 to shareholders whose names appear in the Record of Depositors at the close of business on 13 December 2007.

B12. Earnings Per Share ("EPS")

The EPS is derived as follow :-

| | Current Quarter | Current Year To Date |
|---|----------------------------|---------------------------------|
| Net profit for the period (RM'000) | 3,125 | 6,198 |
| Weighted average number of ordinary shares ('000) | 123,812 | 123,225 |
| EPS (sen) | 2.52 | 5.03 |
| Diluted EPS (sen) | 2.44 | 4.85 |