

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

**CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)**  
**FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2008**

	<u>FYE2009</u>	<u>FYE2008</u>	<u>FYE2009</u>	<u>FYE2008</u>
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 30.09.2008	Preceding Year Corresponding Quarter Ended 30.09.2007	Current Year To Date Ended 30.09.2008	Preceding Year Corresponding Quarter Ended 30.09.2007
	RM'000	RM'000	RM'000	RM'000
Revenue	87,065	84,315	180,815	151,099
Profit from Operations	5,072	4,983	11,197	9,422
Finance Costs	(816)	(812)	(1,619)	(1,415)
Investment Income	66	44	123	77
Profit Before Tax	4,322	4,215	9,701	8,084
Income Tax Expense	(998)	(992)	(2,166)	(1,720)
Profit After Tax	3,324	3,223	7,535	6,364
Attributable to :				
Equity holders of the parent	3,279	3,125	7,412	6,198
Minority Interest	45	98	123	166
	3,324	3,223	7,535	6,364
Earning Per Share				
- Basic (sen)	2.64	2.52	5.98	5.03
- Diluted (sen)	-	2.44	5.94	4.85

**The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2008 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 2008**

	As At 30 September 2008 RM'000	As At 30 Jun 2008 RM'000
<b>ASSETS</b>		
<b><u>Non-Current Assets</u></b>		
Property, plant and equipment	39,370	38,155
Prepaid land lease payments	6,065	6,007
Goodwill	837	837
	<u>46,272</u>	<u>44,999</u>
<b><u>Current Assets</u></b>		
Inventories	61,147	59,258
Trade receivables	71,496	76,695
Other receivables and prepaid expenses	1,466	1,946
Cash and bank balances	10,421	12,407
	<u>144,530</u>	<u>150,306</u>
Asset held for sale	-	155
	<u>144,530</u>	<u>150,461</u>
<b>TOTAL ASSETS</b>	<b><u>190,802</u></b>	<b><u>195,460</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b><u>Equity Attributable To Equitable Holders Of The Parent</u></b>		
Issued capital	62,002	62,002
Treasury shares	(914)	(914)
Share premium	195	195
Other reserves	6,156	6,243
Retained Earning	31,771	30,331
	<u>99,210</u>	<u>97,857</u>
<b>Minority Interest</b>	1,144	1,099
<b>Total Equity</b>	<b><u>100,354</u></b>	<b><u>98,956</u></b>
<b><u>Non-Current Liabilities</u></b>		
Hire purchase payables	82	103
Finance lease payable	49	58
Bank borrowings	1,198	1,379
Deferred tax liabilities	2,077	2,077
	<u>3,406</u>	<u>3,617</u>
<b><u>Current Liabilities</u></b>		
Trade payables	14,589	18,005
Other payables and accrued expenses	4,600	4,832
Hire purchase payables	203	264
Finance lease payable	37	37
Bank borrowings	66,127	68,031
Tax liabilities	1,486	1,718
	<u>87,042</u>	<u>92,887</u>
<b>Total Liabilities</b>	<b><u>90,448</u></b>	<b><u>96,504</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>190,802</u></b>	<b><u>195,460</u></b>
Net assets per share (RM)	0.8001	0.7891

**The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2008 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)**

	<u>Issued Capital</u> RM'000	<u>Treasury Shares</u> RM'000	<u>Share Premium</u> RM'000	<u>Other Reserves</u> RM'000	<u>Retained Earning</u> RM'000	<u>Total</u> RM'000	<u>Minority Interest</u> RM'000	<u>Total Equity</u> RM'000
<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	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
<b>Balance as at 30 September 2007</b>	<u>61,979</u>	<u>-</u>	<u>195</u>	<u>4,670</u>	<u>21,991</u>	<u>88,835</u>	<u>902</u>	<u>89,737</u>
<b>Balance as at 1 April 2008</b>	62,002	(914)	195	5,517	26,198	92,998	1,021	94,019
Issuance of shares								
- pursuant to ESOS	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	7,412	7,412	123	7,535
Dividend	-	-	-	-	(1,839)	(1,839)	-	(1,839)
Translation surplus	-	-	-	639	-	639	-	639
<b>Balance as at 30 September 2008</b>	<u>62,002</u>	<u>(914)</u>	<u>195</u>	<u>6,156</u>	<u>31,771</u>	<u>99,210</u>	<u>1,144</u>	<u>100,354</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 2008 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 30.09.2008</b>	<b>Financial Period Ended 30.09.2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit for the year	7,535	6,364
<b>Adjustments for : -</b>		
Non-cash items	971	943
Non-operating items	3,904	2,820
<i>Operating profit before changes in working capital</i>	<u>12,410</u>	<u>10,127</u>
<b>Changes in working capital</b>		
Net change in current assets	(9,768)	(31,985)
Net change in current liabilities	(185)	3,421
<i>Cash generated from / (used in) operations</i>	<u>2,457</u>	<u>(18,437)</u>
Interest paid	(92)	(146)
Income tax paid	(1,895)	(1,740)
<b>Net cash from / (used in) operating activities</b>	<u>470</u>	<u>(20,323)</u>
<b>Net cash from / (used in) investing activities</b>	(2,420)	1,238
<b>Net cash from / (used in) financing activities</b>	<u>1,977</u>	<u>14,031</u>
<b>Net Changes in Cash &amp; Cash Equivalents</b>	27	(5,054)
Adjustment for foreign exchange differentials	(233)	-
Cash & Cash Equivalents at beginning of period	7,895	6,795
Cash & Cash Equivalents at end of period	<u><u>7,689</u></u>	<u><u>1,741</u></u>

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

Cash and bank balances	10,421	7,948
Less: Bank overdrafts (included within short term borrowings in Note B8)	(2,732)	(6,207)
	<u><u>7,689</u></u>	<u><u>1,741</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 2008 and the accompanying explanatory notes to the interim financial reports.**

**UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2008**

**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 2008.

**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 2008.

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

The audit report of the Group's annual Financial Statements for the financial year ended 31 March 2008 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, resale of treasury shares and repayment of debt and equity security during the financial quarter ended 30 June 2008.

**A8. Dividend Paid**

A final dividend of 1.50 sen, tax exempt, amounting to RM1,838,411 in respect of financial year ended 31 March 2008 was paid by the Company on 25 September 2008.

**A9. Segmental Reporting**

	<b>Revenue RM'000</b>	<b>Profit before Taxation RM'000</b>	<b>Assets Employed RM'000</b>
Manufacturing Division	36,616	3,317	49,376
Distributing Division	144,199	6,318	136,295
	<u>180,815</u>	<u>9,635</u>	<u>185,671</u>
Unallocated corporate profit / assets		66	4,294
		<u>9,701</u>	<u>189,965</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 2008, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 199.78million (RM 200.10million in June 2008) 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 69.31 million (RM 73.63 million in June 2008).

**A14. Capital Commitments**

As of 30 September 2008, the Group has the following capital commitments:

	<b>RM'000</b>
Approved and contracted for :	
Purchase of land	130
Purchase of machinery	418
Construction of factory buildings	5,240
	<u>5,788</u>

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

**B1. Review of the Performance**

For the second quarter ended 30 September 2008, the Group recorded a revenue of RM 87.06 million and profit before tax (“PBT”) of RM 4.32 million. This represented an increase of 3.25% and 2.61% in revenue and PBT respectively as compared to the results in the preceding year corresponding quarter ended 30 September 2007. The growth in the Group’s PBT is attributed mainly from the higher sales volume achieved.

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

For current quarter under review, the Group’s revenue has declined by 7.13% to RM 87.06 million from RM 93.75 million in the preceding quarter ended 30 June 2008. The PBT has also declined by 19.70% from RM 5.38 million to RM 4.32 million.

**B3. Prospects**

The Board expects the profit margin in next financial quarters will be reduced in view of the weakened global economy and higher operating costs. However, 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 September 2008 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	998	2,166
Under-provision in Prior Quarter/Year	-	-
	<u>998</u>	<u>2,166</u>

The effective tax rate of the Group for financial period ended 30 September 2008 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 2008 RM'000	As At 30 June 2008 RM'000
Short Term Borrowing	66,127	68,031
Long Term Borrowing	1,198	1,379
	<u>67,325</u>	<u>69,410</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/year (RM'000)	3,279	7,412
Weighted average number of ordinary shares ('000)	124,003	124,003
Adjusted weighted average number of ordinary shares for calculating diluted EPS ('000)	123,293	124,712
EPS (sen)	2.64	5.98
Diluted EPS (sen)	-	5.94