

DOMINANT ENTERPRISE BERHAD
(Company No.221206-D)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2006

	<u>FYE2007</u>	<u>FYE2006</u>	<u>FYE2007</u>	<u>FYE2006</u>
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 31.12.2006	Preceding Year Corresponding Quarter Ended 31.12.2005	Current Year To Date Ended 31.12.2006	Preceding Year Corresponding Quarter Ended 31.12.2005
	RM'000	RM'000	RM'000	RM'000
Revenue	62,417	55,772	211,115	164,643
Profit from Operations	5,426	1,907	15,869	8,278
Finance Costs	(612)	(402)	(1,965)	(1,110)
Investment Income	36	62	107	126
Profit Before Tax	4,850	1,567	14,011	7,294
Income Tax Expense	(1,033)	(551)	(2,883)	(1,522)
Profit After Tax	3,817	1,016	11,128	5,772
Attributable to :				
Equity holders of the parent	3,669	999	10,870	5,669
Minority Interest	148	17	258	103
	3,817	1,016	11,128	5,772
Earning Per Share				
- Basic (sen)	3.04	0.83	9.01	4.57
- Diluted (sen)	-	-	-	4.48

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 31 DECEMBER 2006

	As At 31 December 2006 RM'000	As At 30 September 2006 RM'000
ASSETS		
<u>Non-Current Assets</u>		
Property, plant and equipment	40,772	40,893
Goodwill	837	837
	41,609	41,730
<u>Current Assets</u>		
Inventories	43,894	43,665
Trade receivables	50,836	58,254
Other receivables and prepaid expenses	1,701	1,639
Cash and bank balances	7,480	8,188
	103,911	111,746
TOTAL ASSETS	145,520	153,476
EQUITY AND LIABILITIES		
<u>Equity Attributable To Equitable Holders Of The Parent</u>		
Share capital	60,439	60,331
Share premium	195	195
Other reserves	4,306	4,306
Retained Earning	14,720	12,792
	79,660	77,624
Minority Interest	704	556
Total Equity	80,364	78,180
<u>Non-Current Liabilities</u>		
Hire purchase payables	139	220
Finance lease payable	111	120
Bank borrowings	2,350	2,720
Deferred tax liabilities	2,021	2,021
	4,621	5,081
<u>Current Liabilities</u>		
Trade payables	13,907	15,824
Other payables and accrued expenses	4,250	4,838
Hire purchase payables	187	151
Finance lease payable	32	32
Bank borrowings	40,392	48,017
Tax liabilities	1,767	1,353
	60,535	70,215
Total Liabilities	65,156	75,296
TOTAL EQUITY AND LIABILITIES	145,520	153,476
Net assets per share (RM)	0.6590	0.6433

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)

	9 Months Period Ended 31.12.2006	Preceding Year Corresponding Period Ended 31.12.2005
	RM'000	RM'000
Profit before taxation	14,011	7,294
Adjustments for : -		
Non-cash items	1,773	1,498
Non-operating items	326	(100)
<i>Operating profit before changes in working capital</i>	<u>16,110</u>	<u>8,692</u>
Changes in working capital		
Net change in current assets	(10,388)	(18,690)
Net change in current liabilities	(162)	3,032
<i>Cash from / (used in) operations</i>	<u>5,560</u>	<u>(6,966)</u>
Interest paid	(1,965)	(1,110)
Income tax paid	(1,630)	(1,788)
Net cash from / (used in) operating activities	<u>1,965</u>	<u>(9,864)</u>
Net cash (used in) investing activities	(5,449)	(548)
Net cash from financing activities	<u>2,118</u>	<u>11,222</u>
Net Changes in Cash & Cash Equivalents	(1,366)	810
Cash & Cash Equivalents at beginning of period	<u>6,944</u>	<u>5,070</u>
Cash & Cash Equivalents at end of period	<u><u>5,578</u></u>	<u><u>5,880</u></u>

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

Cash and bank balances	7,480	7,584
Less: Bank overdrafts		
(included within short term borrowings in Note B8)	(1,902)	(1,704)
	<u>5,578</u>	<u>5,880</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)

	<u>Share Capital</u> RM'000	<u>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
Balance as at 1 April 2005	43,056	187	4,762	22,072	70,077	315	70,392
Issuance of shares							
- pursuant to ESOS	43	8	-	-	51	-	51
- pursuant to Bonus Issue	17,232	-	-	(17,232)	-	-	-
Net profit for the period	-	-	-	5,669	5,669	103	5,772
Dividend	-	-	-	(3,963)	(3,963)	-	(3,963)
Translation Deficit	-	-	(220)	-	(220)	-	(220)
Balance as at 31 December 2005	<u>60,331</u>	<u>195</u>	<u>4,542</u>	<u>6,546</u>	<u>71,614</u>	<u>418</u>	<u>72,032</u>
Balance as at 1 April 2006	60,331	195	4,470	7,401	72,397	446	72,843
Issuance of shares							
- pursuant to ESOS	108	-	-	-	108	-	108
Net profit for the period	-	-	-	10,870	10,870	258	11,128
Dividend	-	-	-	(3,551)	(3,551)	-	(3,551)
Translation Deficit	-	-	(164)	-	(164)	-	(164)
Balance as at 31 December 2006	<u>60,439</u>	<u>195</u>	<u>4,306</u>	<u>14,720</u>	<u>79,660</u>	<u>704</u>	<u>80,364</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 3RD QUARTER ENDED 31 DECEMBER 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

In the 3rd Quarter ended 31 Dec 2006, a total 216,000 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 December 2006.

A8. Dividend Paid

An interim dividend of 2 sen per shares, less 28% tax, amounting to RM 1,740,649 in respect of the financial year ended 31 March 2007 was paid by the Company on 22 December 2006 to shareholders whose names appear in the Record of Depositors at the close of business on 14 December 2006.

A9. Segmental Reporting

	Revenue	Profit before	Assets
	RM'000	Taxation	Employed
		RM'000	RM'000
Manufacturing Division	46,554	4,743	43,190
Distributing Division	164,561	9,019	99,782
	<u>211,115</u>	<u>13,762</u>	<u>142,972</u>
Unallocated corporate profit / assets		249	1,711
		<u>14,011</u>	<u>144,683</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 31 December 2006, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 155.82million (RM 114.70 million in Dec 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 47.14 million (RM 36.90 million in Dec 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 62.42 million for the 3rd Quarter of financial year ended 31 March 2007. This representing a growth of 11.92% as compare to RM 55.77 million in the preceding year corresponding quarter ended 31 December 2005. The profit before tax (“PBT”) has achieved a recorded high of RM 4.85 million in the 3rd Quarter of current financial year. The growth in the Group’s PBT is attributed mainly from 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 11.31% from RM 70.38 million to RM 62.42 million. However, the PBT has slightly increased by 4.08% from RM 4.66 million to RM 4.85 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 31 December 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	1,033	2,756
Under-provision in Prior Quarter/Year	-	127
	<u>1,033</u>	<u>2,883</u>

The effective tax rate of the Group for financial period ended 31 December 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 which amounting to 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 31 December 2006 RM'000	As At 30 September 2006 RM'000
Short Term Borrowing	40,392	48,017
Long Term Borrowing	2,350	2,720
	<hr/>	<hr/>
	42,742	50,737
	<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 Dividend

The Board does not propose to declare or recommend any dividend for the current quarter.

B12. Earnings Per Share ("EPS")

The EPS is derived as follow :-

	Current Quarter	Current Year To Date
Net profit for the period (RM'000)	3,669	10,870
Weighted average number of ordinary shares ('000)	120,716	120,680
EPS (sen)	3.04	9.01

* 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.