

DOMINANT ENTERPRISE BERHAD
(Company No.221206-D)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2007

	<u>FYE2008</u>	<u>FYE2007</u>	<u>FYE2008</u>	<u>FYE2007</u>
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 31.12.2007	Preceding Year Corresponding Quarter Ended 31.12.2006	Current Year To Date Ended 31.12.2007	Preceding Year Corresponding Quarter Ended 31.12.2006
	RM'000	RM'000	RM'000	RM'000
Revenue	<u>84,742</u>	<u>62,417</u>	<u>235,841</u>	<u>211,115</u>
Profit from Operations	5,523	5,426	14,945	15,869
Finance Costs	(912)	(612)	(2,327)	(1,965)
Investment Income	30	36	107	107
Profit Before Tax	<u>4,641</u>	<u>4,850</u>	<u>12,725</u>	<u>14,011</u>
Income Tax Expense	(1,382)	(1,033)	(3,102)	(2,883)
Profit After Tax	<u>3,259</u>	<u>3,817</u>	<u>9,623</u>	<u>11,128</u>
Attributable to :				
Equity holders of the parent	3,199	3,669	9,397	10,870
Minority Interest	<u>60</u>	<u>148</u>	<u>226</u>	<u>258</u>
	<u>3,259</u>	<u>3,817</u>	<u>9,623</u>	<u>11,128</u>
Earning Per Share				
- Basic (sen)	2.61	3.04	7.69	9.01
- Diluted (sen)	2.54	-	7.44	-

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 31 DECEMBER 2007

	As At 31 December 2007 RM'000	As At 30 September 2007 RM'000
ASSETS		
<u>Non-Current Assets</u>		
Property, plant and equipment	40,826	40,362
Asset held for sale	130	130
Goodwill	837	837
	<u>41,793</u>	<u>41,329</u>
<u>Current Assets</u>		
Inventories	59,015	59,315
Trade receivables	72,712	74,227
Other receivables and prepaid expenses	2,262	2,051
Cash and bank balances	7,218	7,948
	<u>141,207</u>	<u>143,541</u>
TOTAL ASSETS	<u>183,000</u>	<u>184,870</u>
EQUITY AND LIABILITIES		
<u>Equity Attributable To Equitable Holders Of The Parent</u>		
Share capital	62,001	61,979
Share premium	195	195
Treasury shares	(791)	-
Other reserves	4,287	4,670
Retained earning	23,344	21,991
	<u>89,036</u>	<u>88,835</u>
Minority Interest	962	902
Total Equity	<u>89,998</u>	<u>89,737</u>
<u>Non-Current Liabilities</u>		
Hire purchase payables	173	35
Finance lease payable	76	84
Bank borrowings	1,406	1,773
Deferred tax liabilities	2,008	2,008
	<u>3,663</u>	<u>3,900</u>
<u>Current Liabilities</u>		
Trade payables	20,763	19,344
Other payables and accrued expenses	4,664	4,629
Hire purchase payables	403	162
Finance lease payable	32	32
Bank borrowings	62,151	65,194
Tax liabilities	1,326	1,872
	<u>89,339</u>	<u>91,233</u>
Total Liabilities	<u>93,002</u>	<u>95,133</u>
TOTAL EQUITY AND LIABILITIES	<u>183,000</u>	<u>184,870</u>
Net assets per share (RM)	0.7180	0.7167

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 31.12.2007	Financial Period Ended 31.12.2006
	RM'000	RM'000
Profit before taxation	12,725	14,011
Adjustments for : -		
Non-cash items	1,609	1,773
Non-operating items	1,278	326
<i>Operating profit before changes in working capital</i>	<u>15,612</u>	<u>16,110</u>
Changes in working capital		
Net change in current assets	(30,381)	(10,388)
Net change in current liabilities	4,876	(162)
<i>Cash generated from / (used in) operations</i>	<u>(9,893)</u>	<u>5,560</u>
Interest paid	(2,327)	(1,965)
Income tax paid	(3,667)	(1,630)
Net cash from / (used in) operating activities	<u>(15,887)</u>	<u>1,965</u>
Net cash from / (used in) investing activities	(312)	(5,449)
Net cash from / (used in) financing activities	<u>12,832</u>	<u>2,118</u>
Net Changes in Cash & Cash Equivalents	<u>(3,367)</u>	<u>(1,366)</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>3,428</u></u>	<u><u>5,578</u></u>

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

Cash and bank balances	7,218	7,480
Less: Bank overdrafts (included within short term borrowings in Note B8)	(3,790)	(1,902)
	<u>3,428</u>	<u>5,578</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)

	← Non-Distributable →				Distributable		Minority Interest RM'000	Total Equity RM'000
	<u>Share Capital</u>	<u>Share Premium</u>	<u>Treasury Shares</u>	<u>Other Reserves</u>	<u>Retained Earning</u>	<u>Total</u>		
	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
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>-</u>	<u>4,306</u>	<u>14,720</u>	<u>79,660</u>	<u>704</u>	<u>80,364</u>
Balance as at 1 April 2007	60,901	195	-	4,167	17,652	82,915	736	83,651
Issuance of shares								
- pursuant to ESOS	1,100	-	-	-	-	1,100	-	1,100
Net profit for the period	-	-	-	-	9,397	9,397	226	9,623
Dividend	-	-	-	-	(3,705)	(3,705)	-	(3,705)
Translation surplus	-	-	-	120	-	120	-	120
Purchase of treasury shares	-	-	(791)	-	-	(791)	-	(791)
Balance as at 31 December 2007	<u>62,001</u>	<u>195</u>	<u>(791)</u>	<u>4,287</u>	<u>23,344</u>	<u>89,036</u>	<u>962</u>	<u>89,998</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 31 DECEMBER 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

(a) Employees Shares Option Scheme ("ESOS")

In the 3rd Quarter ended 31st Dec 2007, a total 45,000 new ordinary shares were issued and allotted pursuant to the exercise of ESOS, at an option price of RM 0.50.

The ESOS option committee has proposed to allocate a further offer of options of up to a maximum of 5.54 million shares to the eligible employees, who meet the criteria of eligibility as set out in ESOS By-laws. The allocation of options has been approved by Audit Committee during the Audit Committee meeting held on 27th Feb 2008. This offer shall be made on 3rd March 2008 (Monday) and the subscription price shall be subject to the weighted average market price of the shares for the 5 market days immediately preceding the date of offer ie. 25th to 29th Feb 2008, with a discount of not more than 10% or the par value of the shares, whichever is the higher.

(b) Treasury Shares

On 27 Aug 2007, the shareholders of the Company approved the Company's plan to repurchase its own ordinary shares. During the current quarter, the Company repurchased 1,235,000 of its issued ordinary shares from the open market at an average price of RM 0.63 per shares. The total consideration paid for the repurchase including transaction costs was RM 791,677 and this was financed by internally generated

funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965. None of the treasury shares has been resold or canceled during the period under review.

A8. Dividend Paid

An interim dividend of 1.5 sen per shares, tax exempt, amounting to RM 1,845,648 in respect of the financial year ending 31 March 2008 was paid by the Company on 24 December 2007 to shareholders whose names appear in the Record of Depositors at the close of business on 13 December 2007.

A9. Segmental Reporting

	Revenue	Profit before	Assets
	RM'000	Taxation	Employed
		RM'000	RM'000
Manufacturing Division	46,961	4,460	44,577
Distributing Division	<u>188,880</u>	<u>8,128</u>	<u>135,700</u>
	<u>235,841</u>	12,588	180,277
Unallocated corporate profit / assets		<u>137</u>	<u>1,886</u>
		<u>12,725</u>	<u>182,163</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 Dec 2007, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 188.10million (RM 179.82 million in Sept 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 68.03 million (RM 71.31 million in Sept 2007).

A14. Capital Commitments

As of 31 Dec 2007, the Group has the following capital commitments:

	RM'000
Approved and contracted for :	
Purchase of land	516

Additional Information Required by the Bursa Malaysia Listing Requirements

B1. Review of the Performance

For the 3rd quarter ended 31 Dec 2007, the Group recorded a revenue of RM 84.74 million. This represented an increase of 35.77% as compared to the results in the preceding year corresponding quarter ended 31 Dec 2006. However, the profit before tax ("PBT") has decreased by 4.33% from RM 4.85 million to RM 4.64 million. The decline 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 0.50% as compared to RM 84.32 million in the preceding quarter ended 30 Sept 2007. The PBT has increased by 9.95% from RM 4.22 million to RM 4.64 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 31 Dec 2007 comprises the following:

	<u>Current Quarter</u>	<u>Current Year To Date</u>
	RM'000	RM'000
<u>Income tax Expenses :</u>		
Current Quarter/Year	1,315	3,033
Under-provision in Prior Quarter/Year	<u>67</u>	<u>69</u>
	<u>1,382</u>	<u>3,102</u>

The effective tax rate of the Group for financial period ended 31 Dec 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 31 Dec 2007 RM'000	As At 30 Sept 2007 RM'000
Short Term Borrowing	62,151	65,194
Long Term Borrowing	1,406	1,773
	<hr/>	<hr/>
	63,557	66,967
	=====	=====

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 did 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)	3,199	9,397
Weighted average number of ordinary shares ('000)	122,744	122,240
EPS (sen)	2.61	7.69
Diluted EPS (sen)	2.54	7.44