

**UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE PERIOD ENDED 31 DECEMBER 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 31 December 2008.

**A8. Dividend Paid**

There were no dividend payments made in current quarter.

**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	49,102	4,321	45,426
Distributing Division	200,019	8,170	116,563
	<u>249,121</u>	<u>12,491</u>	<u>161,989</u>
Unallocated corporate profit / assets		34	4,270
		<u>12,525</u>	<u>166,259</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 2008, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 189.49million (RM 199.78million in September 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 48.81 million (RM 69.31 million in September 2008).

**A14. Capital Commitments**

As of 31 December 2008, the Group has the following capital commitments:

	<b>RM'000</b>
Approved and contracted for :	
Purchase of land	131
Purchase of machinery	84
Construction of factory buildings	2,802
	<u>3,017</u>

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

**B1. Review of the Performance**

For the third quarter ended 31 December 2008, the Group recorded a revenue of RM 68.31 million. This represented a reduce of 19.39% in revenue as compared to the results in the preceding year corresponding quarter ended 31 December 2007. As a result of the revenue contraction, the PBT also reduced by 39.22% to RM 2.82 million.

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

For current quarter under review, the Group's revenue has declined by 21.54% to RM 68.31 million from RM 87.06 million in the preceding quarter ended 30 September 2008. The PBT has also declined by 34.72% from RM 4.32 million to RM 2.82 million.

**B3. Prospects**

The Board expects the revenue and profit margin in coming financial quarters will be reduced in view of lower demand from the contracting market in the weakened global economy. 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 31 December 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	747	2,913
Under-provision in Prior Quarter/Year	50	50
	<u>797</u>	<u>2,963</u>

The effective tax rate of the Group for financial period ended 31 December 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 31 Dec 2008 RM'000	As At 30 Sept 2008 RM'000
Short Term Borrowing	40,584	66,127
Long Term Borrowing	3,953	1,198
	<u>44,537</u>	<u>67,325</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)	1,962	9,374
Weighted average number of ordinary shares ('000)	124,003	124,003
Adjusted weighted average number of ordinary shares for calculating diluted EPS ('000)	125,285	124,858
EPS (sen)	1.58	7.56
Diluted EPS (sen)	1.56	7.51

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

**CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)**  
**FOR THE THIRD QUARTER ENDED 31 DECEMBER 2008**

	<u>FYE2009</u>	<u>FYE2008</u>	<u>FYE2009</u>	<u>FYE2008</u>
	<b>INDIVIDUAL QUARTER</b> Current Quarter Ended 31.12.2008		<b>CUMULATIVE QUARTER</b> Current Year To Date Ended 31.12.2008	
	Preceding Year Corresponding Quarter Ended 31.12.2007		Preceding Year Corresponding Quarter Ended 31.12.2007	
	RM'000	RM'000	RM'000	RM'000
Revenue	68,306	84,742	249,121	235,841
Profit from Operations	3,288	5,523	14,485	14,945
Finance Costs	(510)	(912)	(2,129)	(2,327)
Investment Income	46	30	169	107
Profit Before Tax	2,824	4,641	12,525	12,725
Income Tax Expense	(797)	(1,382)	(2,963)	(3,102)
Profit After Tax	2,027	3,259	9,562	9,623
Attributable to :				
Equity holders of the parent	1,962	3,199	9,374	9,397
Minority Interest	65	60	188	226
	2,027	3,259	9,562	9,623
Earning Per Share				
- Basic (sen)	1.58	2.61	7.56	7.69
- Diluted (sen)	1.56	2.54	7.51	7.44

**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 31 DECEMBER 2008**

	As At 31 December 2008 RM'000	As At 30 September 2008 RM'000
<b>ASSETS</b>		
<b><u>Non-Current Assets</u></b>		
Property, plant and equipment	41,202	39,370
Prepaid land lease payments	5,988	6,065
Goodwill	837	837
	<u>48,027</u>	<u>46,272</u>
<b><u>Current Assets</u></b>		
Inventories	49,881	61,147
Trade receivables	57,271	71,496
Other receivables and prepaid expenses	1,615	1,466
Cash and bank balances	10,262	10,421
	<u>119,029</u>	<u>144,530</u>
Asset held for sale	40	-
	<u>119,069</u>	<u>144,530</u>
<b>TOTAL ASSETS</b>	<b><u>167,096</u></b>	<b><u>190,802</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	5,392	6,156
Retained Earning	33,733	31,771
	<u>100,408</u>	<u>99,210</u>
<b>Minority Interest</b>	1,209	1,144
<b>Total Equity</b>	<b><u>101,617</u></b>	<b><u>100,354</u></b>
<b><u>Non-Current Liabilities</u></b>		
Hire purchase payables	62	82
Finance lease payable	41	49
Bank borrowings	3,953	1,198
Deferred tax liabilities	2,077	2,077
	<u>6,133</u>	<u>3,406</u>
<b><u>Current Liabilities</u></b>		
Trade payables	14,473	14,589
Other payables and accrued expenses	2,999	4,600
Hire purchase payables	150	203
Finance lease payable	38	37
Bank borrowings	40,584	66,127
Tax liabilities	1,102	1,486
	<u>59,346</u>	<u>87,042</u>
<b>Total Liabilities</b>	<b><u>65,479</u></b>	<b><u>90,448</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>167,096</u></b>	<b><u>190,802</u></b>
Net assets per share (RM)	0.8097	0.8001

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>	60,902	-	195	4,167	17,652	82,916	736	83,652
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)
Purchase of treasury shares	-	(791)	-	-	-	(791)	-	(791)
Translation surplus	-	-	-	120	-	120	-	120
<b>Balance as at 31 December 2007</b>	<u>62,002</u>	<u>(791)</u>	<u>195</u>	<u>4,287</u>	<u>23,344</u>	<u>89,037</u>	<u>962</u>	<u>89,999</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	-	-	-	-	9,374	9,374	188	9,562
Dividend	-	-	-	-	(1,839)	(1,839)	-	(1,839)
Translation deficits	-	-	-	(125)	-	(125)	-	(125)
<b>Balance as at 31 December 2008</b>	<u>62,002</u>	<u>(914)</u>	<u>195</u>	<u>5,392</u>	<u>33,733</u>	<u>100,408</u>	<u>1,209</u>	<u>101,617</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 31.12.2008</b>	<b>Financial Period Ended 31.12.2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit for the period	9,562	9,623
<b>Adjustments for : -</b>		
Non-cash items	1,451	1,609
Non-operating items	5,199	4,380
<i>Operating profit before changes in working capital</i>	16,212	15,612
<b>Changes in working capital</b>		
Net change in current assets	14,268	(30,381)
Net change in current liabilities	(1,882)	4,876
<i>Cash generated from / (used in) operations</i>	28,598	(9,893)
Interest paid	(106)	(116)
Income tax paid	(3,553)	(3,667)
<b>Net cash from / (used in) operating activities</b>	24,939	(13,676)
<b>Net cash from / (used in) investing activities</b>	(4,734)	(312)
<b>Net cash from / (used in) financing activities</b>	(20,352)	10,621
<b>Net Changes in Cash &amp; Cash Equivalents</b>	(147)	(3,367)
Adjustment for foreign exchange differentials	157	-
Cash & Cash Equivalents at beginning of period	7,895	6,795
Cash & Cash Equivalents at end of period	7,905	3,428

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

Cash and bank balances	10,262	7,218
Less: Bank overdrafts (included within short term borrowings in Note B8)	(2,357)	(3,790)
	7,905	3,428

**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.**