

**COMPUGATES HOLDINGS BERHAD**  
**(Company No. 669287-H)**  
**(Incorporated in Malaysia)**  
**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**FOR THE QUARTER ENDED 30 JUNE 2006**

The actual results of Compugates Holdings Berhad for the period ended 30 June 2006 are as follows:-

	<u>NOTE</u>	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR	CORRESPONDING	CURRENT YEAR	CORRESPONDING
		QUARTER ENDED	QUARTER ENDED	TO DATE	PERIOD ENDED
		30 JUNE 2006	30 JUNE 2005 *	30 JUNE 2006	30 JUNE 2005 *
		RM'000	RM'000	RM'000	RM'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
REVENUE		129,274	N/A	240,949	N/A
COST OF SALES		(130,808)	N/A	(241,891)	N/A
GROSS LOSS		(1,534)	N/A	(942)	N/A
OTHER OPERATING INCOME		5,611	N/A	8,133	N/A
SALES AND MARKETING EXPENSES		(408)	N/A	(749)	N/A
ADMINISTRATIVE EXPENSES		(2,401)	N/A	(4,417)	N/A
OTHER OPERATING EXPENSES		(116)	N/A	(251)	N/A
FINANCE COSTS		(14)	N/A	(24)	N/A
PROFIT BEFORE TAXATION		1,138	N/A	1,750	N/A
TAXATION	20	(498)	N/A	(677)	N/A
PROFIT AFTER TAXATION		640	N/A	1,073	N/A
EARNINGS PER SHARE (SEN)					
- Basic	28	0.53	N/A	0.89	N/A
- Diluted	28	0.30	N/A	0.50	N/A

Notes:-

\* Compugates Holdings Berhad was listed on the Main Board of Bursa Malaysia Securities Berhad on 30 December 2005 and as such no corresponding figures for the period ended 30 June 2005 have been included.

The unaudited Condensed Consolidated Income Statements should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

**COMPUGATES HOLDINGS BERHAD**  
**(Company No. 669287-H)**  
**(Incorporated in Malaysia)**  
**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**  
**AS AT 30 JUNE 2006**

	<b>Note</b>	<b>AS AT END OF CURRENT YEAR QUARTER ENDED 30 JUNE 2006 RM'000 (Unaudited)</b>	<b>AS AT PRECEDING FINANCIAL PERIOD ENDED 31 DEC 2005 RM'000 (Audited)</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment		9,067	8,051
Goodwill on consolidation		115,684	115,684
Listing premium		26,429	26,429
		<u>151,180</u>	<u>150,164</u>
<b>CURRENT ASSETS</b>			
Inventories		8,556	5,087
Receivables		52,781	48,887
Tax refundable		1,744	818
Cash and cash equivalents		16,671	37,365
		<u>79,752</u>	<u>92,157</u>
<b>TOTAL ASSETS</b>		<u>230,932</u>	<u>242,321</u>
<b>EQUITY AND LIABILITIES</b>			
Share capital		120,429	120,429
Irredeemable Convertible Preference Shares ("ICPS")		9,300	9,300
Share premium		83,700	83,700
Exchange fluctuation reserve		13	3
Retained Profit/(Accumulated loss)		431	(642)
<b>TOTAL EQUITY</b>		<u>213,873</u>	<u>212,790</u>
<b>NON-CURRENT AND DEFERRED LIABILITIES</b>			
Long term borrowings	24	274	38
Deferred taxation		436	436
		<u>710</u>	<u>474</u>
<b>CURRENT LIABILITIES</b>			
Payables		16,257	15,553
Short-term borrowings	24	86	11,649
Provision for taxation		6	1,855
		<u>16,349</u>	<u>29,057</u>
<b>TOTAL LIABILITIES</b>		<u>17,059</u>	<u>29,531</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>230,932</u>	<u>242,321</u>
Net Assets per share (sen)		100.37	99.47

The unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

**COMPUGATES HOLDINGS BERHAD****(Company No. 669287-H)****(Incorporated in Malaysia)****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY****FOR THE QUARTER ENDED 30 JUNE 2006**

	<u>Share Capital</u> RM'000	<u>ICPS</u> RM'000	<u>Share Premium</u> RM'000	<u>Exchange Fluctuation Reserve</u> RM'000	<u>(Accumulated Loss)/ Retained Profit</u> RM'000	<u>Total</u> RM'000
Balance as at 31 December 2005/1 January 2006	120,429	9,300	83,700	3	(642)	212,790
Foreign currency translation, representing net expense recognised directly in equity	-	-	-	10	-	10
Profit after taxation for the financial period	-	-	-	-	1,073	1,073
Total recognised income and expense for the financial period	-	-	-	10	1,073	1,083
Balance as at 30 June 2006	<u>120,429</u>	<u>9,300</u>	<u>83,700</u>	<u>13</u>	<u>431</u>	<u>213,873</u>

Compugates Holdings Berhad was listed on the Main Board of Bursa Malaysia Securities Berhad on 30 December 2005 and as such no corresponding figures for the period ended 30 June 2005 have been included.

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

**COMPUGATES HOLDINGS BERHAD**  
**(Company No. 669287-H)**  
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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**  
**FOR THE QUARTER ENDED 30 JUNE 2006**

	<b>CURRENT YEAR TO DATE 30 JUNE 2006 RM'000 (Unaudited)</b>	<b>CORRESPONDING PERIOD ENDED 30 JUNE 2005 * RM'000 (Unaudited)</b>
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
Profit before taxation	1,750	N/A
Adjustments for:-		
Non-cash items	248	N/A
Interest expense	6	N/A
Interest income	(94)	N/A
Operating profit before working capital changes	1,910	N/A
Increase in inventories	(3,420)	N/A
Increase in trade and other receivables	(3,924)	N/A
Increase in trade and other payables	704	N/A
<b>Cash for operations</b>	(4,730)	N/A
Interest paid	(6)	N/A
Income tax paid	(3,452)	N/A
<b>NET CASH FOR OPERATING ACTIVITIES</b>	(8,188)	N/A
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	94	N/A
Proceed from disposal of equipment	3	N/A
Purchase of property and equipment	(936)	N/A
<b>NET CASH FOR INVESTING ACTIVITIES</b>	(839)	N/A
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Decrease in bankers' acceptances	(11,629)	N/A
Repayment of hire purchase obligations	(48)	N/A
<b>NET CASH FOR FINANCING ACTIVITIES</b>	(11,677)	N/A
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(20,704)	N/A
<b>EFFECTS OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	10	N/A
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	37,365	N/A
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	16,671	N/A
<b>NOTES TO CASH FLOW STATEMENTS</b>		
Cash and cash equivalents comprise:		
Fixed deposits with licensed bank	7,459	N/A
Short term deposits with a licensed bank	6,000	N/A
Cash and bank balances	3,212	N/A
	16,671	N/A

Notes:-

\* Compugates Holdings Berhad was listed on the Main Board of Bursa Malaysia Securities Berhad on 30 December 2005 and as such no corresponding figures for the period ended 30 June 2005 have been included.

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.