



*Dreamgate Corporation Bhd* (603831-K)

(Incorporated in Malaysia)

Interim Unaudited Financial Statements  
30 June 2005



*Dreamgate Corporation Bhd* (603831-K)

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**CONDENSED CONSOLIDATED INCOME STATEMENT**

	<b>Note</b>	<b>INDIVIDUAL QUARTER ENDED CURRENT QUARTER</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER</b>	<b>CUMULATIVE QUARTER ENDED CURRENT YEAR TO DATE</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD</b>
		<b>30 JUNE 2005 RM'000</b>	<b>30 JUNE 2004 RM'000</b>	<b>30 JUNE 2005 RM'000</b>	<b>30 JUNE 2004 RM'000</b>
<b>Revenue</b>		33,924	26,779	69,843	57,690
<b>Cost of sales</b>		(18,021)	(17,403)	(41,994)	(39,671)
		15,903	9,376	27,849	18,019
Other operating income		231	(240)	625	(101)
Selling and distribution costs		(747)	(685)	(1,045)	(863)
Administrative expenses		(4,284)	(1,949)	(7,274)	(3,796)
Depreciation		(4,462)	(1,793)	(7,600)	(2,934)
<b>Profit from operations</b>		6,641	4,709	12,555	10,325
Finance costs		(467)	(87)	(734)	(149)
Share of profit/(loss) of an associated corporation		292	(67)	421	(116)
<b>Profit before taxation</b>		6,466	4,555	12,242	10,060
Taxation	<b>22</b>	(21)	(103)	(31)	(530)
<b>Profit after taxation</b>		6,445	4,452	12,211	9,530
<b>Minority interests</b>		(3)	-	(4)	-
<b>Net profit attributable to members of the Company</b>		<u>6,442</u>	<u>4,452</u>	<u>12,207</u>	<u>9,530</u>
<b>Basic earnings per share (sen)</b>	<b>30</b>	<u>2.30</u>	<u>1.59</u>	<u>4.36</u>	<u>3.40</u>

The condensed consolidated financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2004 and the accompanying explanatory notes attached to the interim financial statements.



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**CONDENSED CONSOLIDATED BALANCE SHEET**

	Note	30 JUNE 2005 RM'000	31 DEC 2004 RM'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	12	84,478	69,317
Development expenditure		565	390
Investment in associated corporations		1,294	701
Investments		4	4
Long term receivables (secured)		676	676
		<u>87,017</u>	<u>71,088</u>
<b>CURRENT ASSETS</b>			
Inventories		7,396	14,533
Receivables		51,017	43,685
Amount owing by an associated corporation		2,794	2,794
Tax recoverable		961	673
Deposits with licensed banks		14,575	11,575
Cash and bank balances		5,436	14,161
		<u>82,179</u>	<u>87,421</u>
<b>CURRENT LIABILITIES</b>			
Payables		39,650	45,561
Borrowings	26	10,635	17,224
Tax payable		9	21
Dividend payable	29	2,706	-
		<u>53,000</u>	<u>62,806</u>
<b>NET CURRENT ASSETS</b>			
		<u>29,179</u>	<u>24,615</u>
		<u>116,196</u>	<u>95,703</u>
<b>CAPITAL AND RESERVES</b>			
Share capital		28,000	28,000
Reserve on consolidation		8,110	8,110
Share premium		28,018	28,018
Translation reserve		(2)	(3)
Retained profits		32,289	22,788
Shareholders' equity		<u>96,415</u>	<u>86,913</u>
<b>MINORITY INTERESTS</b>			
		4	-
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	26	19,524	8,537
Deferred taxation		253	253
		<u>116,196</u>	<u>95,703</u>
<b>Net tangible assets per share (sen)</b>			
		<u>34</u>	<u>31</u>

The condensed consolidated financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2004 and the accompanying explanatory notes attached to the interim financial statements.



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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share capital	Non-Distributable Reserve on consolidation	Share Premium	Translation Reserve	Distributable Retained profits	Total
Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2004</b>	20,557	8,110	-	-	4,550	33,217
Issuance of shares	7,443	-	29,771	-	-	37,214
Expenses on issuance of shares	-	-	(1,745)	-	-	(1,745)
Exchange differences on translation of the financial statements of a foreign entity	-	-	-	(2)	-	(2)
Net loss not recognized in income statements	-	-	-	(2)	-	(2)
Net profit for the financial period	-	-	-	-	9,530	9,530
<b>At 30 June 2004</b>	<b>28,000</b>	<b>8,110</b>	<b>28,026</b>	<b>(2)</b>	<b>14,080</b>	<b>78,214</b>
<b>At 1 January 2005</b>	28,000	8,110	28,018	(3)	22,788	86,913
Exchange differences on translation of the financial statements of a foreign entity	-	-	-	1	-	1
Net loss not recognized in income statements	-	-	-	1	-	1
Net profit for the financial period	-	-	-	-	12,207	12,207
Dividends	<b>29</b>	-	-	-	(2,706)	(2,706)
<b>At 30 June 2005</b>	<b>28,000</b>	<b>8,110</b>	<b>28,018</b>	<b>(2)</b>	<b>32,289</b>	<b>96,415</b>

The condensed consolidated financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2004 and the accompanying explanatory notes attached to the interim financial statements.



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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>CUMULATIVE QUARTER ENDED CURRENT YEAR TO DATE</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD</b>
	<b>30 JUNE 2005 RM'000</b>	<b>30 JUNE 2004 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	12,242	10,060
Adjustments for:		
Depreciation	7,600	2,934
Gain on disposal of property, plant and equipment	(14)	(47)
Property, plant and equipment written off	4	-
Share of (profit)/loss of an associated corporation	(421)	116
Interest expense	639	100
Interest income	<u>(250)</u>	<u>(365)</u>
Operating profit before working capital changes	19,800	12,798
Advances to long term receivables	-	(676)
Net changes in receivables and inventories	(215)	(3,157)
Net changes in payables	(5,911)	5,106
Interest paid	(639)	(100)
Tax paid	<u>(331)</u>	<u>(491)</u>
<b>Net cash flow from operating activities</b>	<u>12,704</u>	<u>13,480</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(22,931)	(24,772)
Proceeds from disposal of property, plant and equipment	15	310
Additions to development expenditure (Note 1)	(162)	(212)
Acquisition of an associated corporation	-	(715)



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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)**

	<b>CUMULATIVE QUARTER ENDED CURRENT YEAR TO DATE</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD</b>
	<b>30 JUNE 2005 RM'000</b>	<b>30 JUNE 2004 RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES (CONT')</b>		
Interest received	250	365
<b>Net cash flow from investing activities</b>	<u>(22,828)</u>	<u>(25,024)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net repayment of bankers' acceptance and offshore foreign currency loan	(5,392)	(1,212)
Net drawdown/(repayment) of term loan	9,802	(8)
Proceeds from issuance of shares	-	37,214
Expenses on issuance of shares	-	(1,745)
Additional deposits pledged to licensed banks	<u>(3,375)</u>	<u>(46)</u>
<b>Net cash flow from financing activities</b>	<u>1,035</u>	<u>34,203</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(9,089)	22,659
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	1	(2)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	20,356	5,077
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b> *	<u>11,268</u>	<u>27,734</u>
* Cash and cash equivalents at end of the financial period comprise the following:		
Cash and bank balances	5,436	15,857
Deposits with licensed banks	9,000	15,000
Less: Bank Overdrafts (included within borrowings in Note 26 for 30 June 2005 )	<u>(3,168)</u>	<u>(3,123)</u>
	<u>11,268</u>	<u>27,734</u>

Note 1: Included in development expenditure is the capitalization of depreciation amounting to RM13,540 as at 30 June 2005.

The condensed consolidated financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2004 and the accompanying explanatory notes attached to the interim financial statements.



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**PART A - EXPLANATORY NOTES PERSUANT TO FINANCIAL REPORTING STANDARD  
(FRS) NO. 134 (PREVIOUSLY KNOWN AS MASB NO. 26)**

**1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 “Interim Financial Reporting” (formerly known as MASB 26) and Appendix 7A of the Listing Requirements of the Bursa Malaysia Securities Berhad (Bursa Securities) for the MESDAQ Market.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2004.

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 December 2004.

**2. Basis of Consolidation**

Subsidiary companies are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of subsidiary companies acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The assets and liabilities of a subsidiary company are measured at their fair values at the date of acquisition and these values are reflected in the consolidated balance sheet. The difference between the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary company at the date of acquisition is included in the consolidated balance sheet as goodwill or reserve arising on consolidation.

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

Minority interest is measured at the minorities' share of post acquisition fair values of the identifiable assets and liabilities of the acquiree. Separate disclosure is made of minority interest.

**3. Associated corporations**

Associated corporations are those corporations in which the Group has a long term equity interest and where it exercises significant influence over the financial and operating policies.

Investments in associated corporations are accounted for in the consolidated financial statements by the equity method of accounting based on the audited or management financial statements of the associated corporations. Under the equity method of accounting, the Group's share of profits less losses of associated corporations during the year is included in the consolidated income statement. The Group's interest in associated corporations is carried in the consolidated balance





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**3. Associated corporations (continued)**

sheet at cost plus the Group's share of post-acquisition retained profits or accumulated losses and other reserves as well as goodwill on acquisition.

Equity accounting is discontinued when the carrying amount of the investment in an associated corporation reaches zero, unless the Group has incurred obligations or made payments on behalf of the associated corporation.

Unrealised gains on transactions between the Group and the associated corporations are eliminated to the extent of the Group's interest in the associated corporations. Unrealised losses are eliminated unless cost cannot be recovered.

**4. Auditors' Report**

The auditors' report on the financial statements for the year ended 31 December 2004 was not subjected to any qualification.

**5. Significant Event**

During the quarter under review, there were no other significant events that have not been reflected in the financial statements.

**6. Seasonal or Cyclical Factors**

The overall business of the Group was not affected by any significant seasonal factors. However, the sales of machines, to some extent, are subject to seasonal fluctuation.

**7. Unusual items**

During the quarter under review, there were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group.

**8. Changes in Estimates**

There were no changes in the nature and amount of estimates reported that will have a material effect in the current quarter.

**9. Changes in Debts and Equity Securities**

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares for the current quarter under review.



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**10. Dividend Paid**

No dividend was paid during the financial period to date.

**11. Segmental Information**

Segment information is presented in respect of the Group's business segments:

	<b>1.4.2005 to 30.6.2005 RM'000</b>	<b>1.1.2005 to 30.6.2005 RM'000</b>
<b>Segment Revenue</b>		
Sales and marketing	20,869	45,571
Technical Support and Management	13,020	24,202
Others	483	966
	<u>34,372</u>	<u>70,739</u>
Eliminations	<u>(448)</u>	<u>(896)</u>
Group revenue	<u><u>33,924</u></u>	<u><u>69,843</u></u>
<b>Segment Results</b>		
Sales and marketing	1,776	2,224
Technical Support and Management	5,486	11,762
Others	(294)	(516)
Unallocated	<u>(327)</u>	<u>(915)</u>
Profit from operations	<u><u>6,641</u></u>	<u><u>12,555</u></u>

**12. Valuation of Property, Plant and Equipment**

The Group did not revalue any of its property, plant and equipment during the current quarter under review.

**13. Subsequent Events**

There were no material events subsequent to the end of the current quarter under review except for the following:



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**(a) Acquisition**

The agreement, dated 5 May 2005, to acquire a 60% equity interest in CDI Corporation Sdn Bhd (“CDI”) was approved by the Foreign Investment Committee on 14 June 2005. On 1 July 2005, the Acquisition was officially completed and CDI is now a 60%-owned subsidiary of DCB.

**(b) Establishment of An Employee Share Option Scheme (“ESOS”)**

The establishment of an ESOS announced on 20 April 2005 was approved by the shareholders of the Company at the extraordinary general meeting (“EGM”) convened on 28 June 2005. The approval-in-principle of Bursa Securities was received vide its letter dated 15 July 2005 for the listing and quotation for the new ordinary shares of RM0.10 each of up to a maximum of 10% of the issued and paid-up share capital of the Company to be issued under the exercise of the options granted under ESOS.

**14. Changes in the Composition of the Group**

Save as disclosed in the last interim financial statements, there were no changes in the composition of the Group for the current quarter under review.

**15. Contingent Liabilities**

As at 9 August 2005 (being a date not earlier than 7 days from the date of this announcement), there were no changes in contingent liabilities or contingent assets since the last interim financial statements.

**16. Capital Commitment**

The amount of capital commitments for the purchase of property, plant and equipment not provided for in the interim financial statements is as follow:

	<b>30 JUNE 2005</b>	<b>31 DEC 2004</b>
	<b>RM'000</b>	<b>RM'000</b>
Approved but not contracted for:	<u>37,000</u>	<u>17,000</u>



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**17. Significant Related Party Transactions**

	<b>1.4.2005 to 30.6.2005</b>	<b>1.1.2005 to 30.6.2005</b>
	<b>RM'000</b>	<b>RM'000</b>
Sales of gaming and amusement machines, spare parts and accessories to:		
- Dreamgate (Malaysia) Sdn Bhd	-	221
- Euro Computer Engineering & Parts Sdn Bhd	-	44
- Manju Sdn. Bhd.	-	20
- Sigma Gaming Technology Pte Ltd	-	124
- Standard RGB Pte Ltd	529	1,338
Purchase of gaming and amusement machines and accessories from:		
- Standard RGB Pte Ltd	-	133
- Chuah Amusement Sales & Services	-	18
- Dreamgate (Malaysia) Sdn Bhd	18	18
Repair and maintenance services provided to:		
- Denver System Sdn. Bhd.	22	44
- Dreamgate (Malaysia) Sdn. Bhd.	22	41
- Euro Computer Engineering & Parts Sdn. Bhd.	11	21
Purchase of spare part and services from Standard RGB Pte Ltd	89	249
Renting of premises to:		
- Denver System Sdn. Bhd.	8	16
- Dreamgate (Malaysia) Sdn. Bhd.	8	16
- Great World Inc.	8	16
- Harvard Management Consultants Sdn. Bhd.	3	6
- Euro Computer Engineering & Parts Sdn. Bhd.	9	18
- Standard RGB Pte Ltd	<u>7</u>	<u>14</u>

The Directors are of the opinion that the related party transactions described above have been entered into the normal course of business on an arm's length basis and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

Certain Directors of the Group and their family members have significant controlling financial interests in the above mentioned related parties.



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**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 7A OF THE LISTING REQUIREMENTS OF BURSA SECURITIES**

**18. Performance Review**

	<b>1.4.2005 to 30.6.2005 RM'000</b>	<b>1.4.2004 to 30.6.2004 RM'000</b>	<b>% + / (-)</b>
<b>Revenue</b>			
Sales and marketing	20,869	20,642	1.1
Technical Support and Management	13,020	6,086	>100.0
Others	<u>35</u>	<u>51</u>	(31.4)
Group revenue	<u>33,924</u>	<u>26,779</u>	26.7
<b>Profit before taxation</b>			
Sales and marketing	1,776	2,266	(21.6)
Technical Support and Management	5,486	3,511	56.3
Others	(294)	(232)	(26.7)
Unallocated expenses	<u>(502)</u>	<u>(990)</u>	49.3
Group profit before taxation	<u>6,466</u>	<u>4,555</u>	42.0

The Group recorded an increase in revenue of approximately RM7.1 million for the current quarter or 26.7% due to an improvement in revenue of the Technical Support and Management division.

Profit before taxation was approximately RM6.5 million for the current quarter, which is an increase of 42.0% as compared to the corresponding quarter last year.

The significant improvement in the performance of the Technical Support and Management division was due to significant increase in number of machines at various outlets.

The lower profit before taxation of the Sales and Marketing division is due to lower margins as a result of change in product mix as compared to the corresponding quarter last year.



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**19. Comparison with previous quarter's results**

	<b>CURRENT QUARTER RM'000</b>	<b>PREVIOUS QUARTER RM'000</b>	<b>% +/(-)</b>
<b>Revenue</b>			
Sales and marketing	20,869	24,702	(15.5)
Technical Support and Management	13,020	11,182	16.4
Others	<u>35</u>	<u>35</u>	-
Group revenue	<u>33,924</u>	<u>35,919</u>	(5.6)
<b>Profit before taxation</b>			
Sales and marketing	1,776	448	>100.0
Technical Support and Management	5,486	6,276	(12.6)
Others	(294)	(222)	(32.4)
Unallocated expenses	<u>(502)</u>	<u>(726)</u>	30.9
Group profit before taxation	<u>6,466</u>	<u>5,776</u>	11.9

Profit before taxation improved reasonably despite the decrease in turnover of Sales & Marketing division as compared to the immediate preceding quarter mainly due to better margins from Sales and Marketing division as a result of change in product mix while the Technical Support and Management division made a lower profit due to initial costs incurred in number of new outlets where revenue contribution have yet to come on stream.

**20. Commentary on Prospect**

Barring unforeseen circumstances, the Group expects to see continuing expansion of the regional gaming and leisure industry in the financial year 2005 and hence continued growth of the Group.

**21. Profit Forecast**

No profit forecast was announced hence there was no comparison between actual results and forecast.



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**22. Taxation**

	INDIVIDUAL QUARTER ENDED		CUMULATIVE QUARTER ENDED	
	30 JUNE 2005	30 JUNE 2004	30 JUNE 2005	30 JUNE 2004
	RM'000	RM'000	RM'000	RM'000
Income Tax				
Current Period	21	103	31	530
Overprovision in prior Periods	-	-	-	-
Deferred Tax				
Current Period	-	-	-	-
Under/(Over)provision in prior Periods	-	-	-	-
	<u>21</u>	<u>103</u>	<u>31</u>	<u>530</u>

The taxation of one of the subsidiary companies is fixed at RM20,000 per annum under the Labuan Offshore Business Activity Act, 1990 Section 7(1).

**23. Profit on sale of Investments and/or Properties**

There was no disposal of investment or properties during the quarter under review.

**24. Purchase and Disposal of Quoted Securities**

There was no purchase or disposal of quoted securities during the quarter under review.

**25. Corporate Proposals**

Save as disclosed below, there were no corporate proposals announced but not completed as at the date of this announcement:

▪ **Status of utilisation of listing proceeds**

	As approved by the Bursa Securities RM'000	Total Proceeds Utilized as at 30 June 2005 RM'000	Balance Proceeds Unutilized as at 30 June 2005 RM'000	Revision as approved by the Securities Commission RM'000
Purchase of plant and machinery	4,000	342	3,658	-
Research & development	5,000	607	4,393	-
Overseas expansion	15,000	15,000	-	-



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	As approved by the Bursa Securities RM'000	Total Proceeds Utilized as at 30 June 2005 RM'000	Balance Proceeds Unutilized as at 30 June 2005 RM'000	Revision as approved by the Securities Commission RM'000
Regional Trade Mark Registration	1,000	-	1,000	-
Advertising, promotion and branding	3,000	1,881	1,119	-
Working Capital	6,214	1,216	4,998	* 1,247
Estimated listing expenses	3,000	1,753	* 1,247	-
	<u>37,214</u>	<u>20,799</u>	<u>16,415</u>	<u>1,247</u>

\* The RM1.247 million allocated for the use in the payment of Listing Expenses has been reallocated for the use in Working Capital of the Group with the approval by the Securities Commission via its letter dated 18 July 2005.

**26. Borrowings**

Save as disclosed below, there are no other borrowings in the Group:

	<b>30 JUNE 2005</b> <b>RM'000</b>	<b>31 DEC 2004</b> <b>RM'000</b>
<u>Secured</u>		
Bank overdrafts	3,168	3,180
Banker's acceptance and Offshore Foreign Currency Loan	2,116	7,508
Term loan - short term	5,351	6,536
	<u>10,635</u>	<u>17,224</u>
Term loan - long term	19,524	8,537
	<u>30,159</u>	<u>25,761</u>
Total borrowings	<u>30,159</u>	<u>25,761</u>

**27. Off Balance Sheet Financial Instruments**

The Group does not have any financial instrument with off balance sheet risk as at the date of this report.





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**28. Material Litigation**

The Group does not have any material litigation, which in the opinion of the Directors, would have a material impact on the financial results of the Group.

**29. Dividend Proposed or Declared**

At the annual general meeting (“AGM”) held on 28 June 2005, the shareholders of the Company approved the payment of the first and final dividend in respect of the financial year ended 31 December 2004, of 10% less 28% tax on 280,000,000 ordinary shares, amounting to a dividend payable to RM2,800,000. In respect of deposited securities, entitlement to dividends will be determined on the basis of record of depositors on 28 July 2005 at 4.00pm. This first and final dividend will be paid on 18 August 2005. The details are as follows:

	<b>Gross RM</b>	<b>Tax RM</b>	<b>Net RM</b>
First and final dividend of 10% on 280,000,000 shares	2,800,000	784,000	2,016,000
Less: Available Tax Credit	-	(94,000)	-
	<u>2,800,000</u>	<u>690,000</u>	<u>2,016,000</u>
Add: Income Tax payable to Inland Revenue Board	-	-	<u>690,000</u>
Dividend payable			<u><u>2,706,000</u></u>
Dividend per ordinary share			<u><u>RM0.01</u></u>

The first and final dividend is paid out of income received by the Company which is exempted from income tax under paragraph 2(b) of the Income Tax (Exemption) (No.16) Order 1991 and is exempted from income tax in Malaysia in the hands of the shareholders under paragraph 3(1) of the Income Tax (Exemption) (No. 10) Order 2000. Since neither order exempts the payment of this dividend by the Company from the provisions of Section 108 of the Income Tax Act, 1967, income tax of 28% amounting to RM784,000 has been deducted from the gross amount of the dividend. The tax deducted less available tax credit amounting to approximately RM94,000 will be duly paid by the Company to the Director General of Inland Revenue, Malaysia.

Since the dividend is tax exempt in the hands of the shareholders, dividend per ordinary share is calculated by dividing the gross amount of dividend of RM2,800,000 by the number of ordinary shares in issue of 280,000,000 ordinary shares.

**30. Basic Earnings Per Share**

The basic earnings per share of 2.30 sen for the current period under review is calculated by dividing the Group’s net profit for the financial period of approximately RM6.4 million over the number of ordinary shares in issue of 280,000,000. For the preceding year corresponding quarter,



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the basic earnings per share of 1.59 sen is calculated by dividing the Group's net profit for the financial period of approximately RM4.5 million over the weighted average number of ordinary shares in issue of 280,000,000.

**31. Authorisation For Issue**

On 16 August 2005, the Board of Directors authorised the issue of these interim financial statements.

By Order of the Board  
**Dreamgate Corporation Bhd. (603831-K)**

Datuk Chuah Kim Seah, JP  
Managing Director  
16 August 2005