



Dreamgate Corporation Bhd (603831-K)

(Incorporated in Malaysia)

Interim Unaudited Financial Statements
31 March 2009



Dreamgate Corporation Bhd (603831-K)

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**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2009**

	Note	3 MONTHS ENDED		3 MONTHS ENDED	
		31 MAR	31 MAR	31 MAR	31 MAR
		2009	2008	2009	2008
		RM'000	RM'000	RM'000	RM'000
Revenue	10	35,576	43,636	35,576	43,636
Cost of sales		(30,249)	(24,746)	(30,249)	(24,746)
- Depreciation		(13,474)	(12,214)	(13,474)	(12,214)
- Others		(16,775)	(12,532)	(16,775)	(12,532)
Gross profit		5,327	18,890	5,327	18,890
Other income		106	197	106	197
Administrative expenses		(11,670)	(9,551)	(11,670)	(9,551)
- Depreciation		(845)	(585)	(845)	(585)
- Others		(10,825)	(8,966)	(10,825)	(8,966)
Selling and marketing expenses		(500)	(968)	(500)	(968)
Other gain/(expenses), net		6,990	(1,325)	6,990	(1,325)
Operating profit		253	7,243	253	7,243
Finance costs		(2,348)	(2,271)	(2,348)	(2,271)
Share of loss of jointly controlled entities		(67)	(63)	(67)	(63)
Share of (loss)/profit of associates		(195)	641	(195)	641
(Loss)/Profit before tax		(2,357)	5,550	(2,357)	5,550
Income tax expense	21	(168)	(32)	(168)	(32)
(Loss)/Profit for the period		(2,525)	5,518	(2,525)	5,518
Attributable to:					
Equity holders of the Company		(2,207)	5,569	(2,207)	5,569
Minority interests		(318)	(51)	(318)	(51)
		(2,525)	5,518	(2,525)	5,518
Earnings per share attributable to equity holders of the Company:					
Basic, for (loss)/profit for the period (sen)	28	(0.25)	0.64	(0.25)	0.64
Diluted, for (loss)/profit for the period (sen)	28	(0.25)	0.63	(0.25)	0.63



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CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2009

	Note	AS AT 31 MAR 2009 RM'000	AS AT 31 DEC 2008 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	293,849	236,600
Prepaid land lease payments		1,395	1,401
Investments in jointly controlled entities		1,133	1,187
Investments in associates		1,234	1,599
Other investment		4	4
Development costs		979	1,119
Long term lease receivables		2,426	2,957
Other receivables		1,087	1,059
Gaming licenses		659	625
Goodwill		272	272
		303,038	246,823
Current assets			
Inventories		9,361	11,562
Trade Receivables		76,841	88,796
Short term lease receivables		1,921	1,921
Other Receivables, Deposits and Prepayments		16,623	15,940
Tax Recoverable		1,068	876
Due from jointly controlled entities		119	358
Due from associates		8,311	7,663
Deposits with licensed banks		6,741	5,074
Cash and bank balances		15,042	31,062
		136,027	163,252
TOTAL ASSETS		439,065	410,075
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	8	87,205	87,205
Share premium		827	827
Foreign exchange translation reserve		1,292	(5,208)
Share option reserve		3,242	3,242
Retained earnings		90,119	92,326
		182,685	178,392
Minority interests		4,899	4,918
Total equity		187,584	183,310
Non-current liabilities			
Borrowings	25	20,514	24,641
Deferred tax liabilities		794	794
		21,308	25,435
Current liabilities			
Borrowings	25	131,152	127,992
Trade payables		58,092	46,584
Other payables		22,672	13,630
Due to jointly controlled entities		1,152	957
Due to an associated company		5	9
Due to other shareholders		16,009	11,384
Tax payable		1,091	774
		230,173	201,330
Total liabilities		251,481	226,765
TOTAL EQUITY AND LIABILITIES		439,065	410,075
Net assets per share (sen)		21	20



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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

	----- Attributable to Equity Holders of the Parent -----				Retained Earnings	Total	Minority Interests	Total Equity
	Share Capital	Share Premium	Foreign Exchange Translation Reserve	Share Option Reserve				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2008								
As previously stated	87,165	651	(13,730)	2,998	98,875	175,959	51	176,010
Restatement of prior year comparatives	-	-	(15)	-	1,121	1,106	-	1,106
At 1 January 2008 (restated)	87,165	651	(13,745)	2,998	99,996	177,065	51	177,116
Foreign currency translation, representing net expenses recognised directly in equity	-	-	(6,497)	-	-	(6,497)	-	(6,497)
Profit for the period	-	-	-	-	5,569	5,569	(51)	5,518
Total recognised income and expense for the period	-	-	(6,497)	-	5,569	(928)	(51)	(979)
Issue of ordinary shares pursuant to ESOS	39	287	-	(176)	-	150	-	150
Share options granted under ESOS	-	-	-	125	-	125	-	125
At 31 March 2008	87,204	938	(20,242)	2,947	105,565	176,412	-	176,412



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2009

	----- Attributable to Equity Holders of the Parent -----							
	----- Non-Distributable -----			Distributable				
	Share Capital	Share Premium	Foreign Exchange Translation Reserve	Share Option Reserve	Retained Earnings	Total	Minority Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2009	87,205	827	(5,208)	3,242	92,326	178,392	4,918	183,310
Foreign currency translation, representing net expenses recognised directly in equity	-	-	6,500	-	-	6,500	-	6,500
Loss for the period	-	-	-	-	(2,207)	(2,207)	(19)	(2,226)
Total recognised income and expense for the period	-	-	6,500	-	(2,207)	4,293	(19)	4,274
At 31 March 2009	87,205	827	1,292	3,242	90,119	182,685	4,899	187,584



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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2009**

	3 MONTHS ENDED	
	31 MAR 2009 RM'000	31 MAR 2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before tax	(2,357)	5,550
Adjustments for:		
Amortisation of development costs	140	185
Amortisation of prepaid land lease payments	5	5
Depreciation	14,319	12,799
Property, plant and equipment written off	26	3
Impairment loss on property, plant and equipment	207	-
Deposits written off	363	-
Loss on disposal of equipment	17	-
Provision for doubtful debts	461	-
Reversal of provision for doubtful debts	(376)	(130)
Non-trade receivables written off	227	-
Reversal of impairment of property, plant and equipment	-	(31)
Share options granted under ESOS	-	125
Share of loss of jointly controlled entities	67	63
Share of loss / (profit) of associates	195	(641)
Interest expense	2,277	2,217
Interest income	(52)	(214)
Operating profit before working capital changes	15,519	19,931
Net changes in receivables, amount due from associates, jointly controlled entities and inventories	13,456	12,018
Net changes in payables, amount due to jointly controlled entities, associate company and other shareholders	25,367	(166)
Interest paid	(721)	(1,268)
Taxes paid	(43)	(198)
Net cash flow from operating activities	53,578	30,317



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CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2009

	3 MONTHS ENDED	
	31 MAR 2009 RM'000	31 MAR 2008 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(60,423)	(41,067)
Proceeds from disposal of property, plant and equipment	44	1
Net cash from acquisition of subsidiary companies	-	(351)
Acquisition of gaming licenses	-	(323)
Investment in associates	-	(255)
Interest received	52	214
Net cash flow from investing activities	(60,327)	(41,781)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown of bankers' acceptance	3,030	7,200
Net (repayment)/drawdown of term loan and commercial papers	(5,317)	8,647
Net repayment of hire purchase	(63)	(15)
Proceeds from issuance of ordinary shares	-	150
Net cash flow from financing activities	(2,350)	15,982
NET CHANGE IN CASH AND CASH EQUIVALENTS	(9,099)	4,518
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	(5,080)	(497)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	34,127	41,029
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	19,948	45,050
* Cash and cash equivalents at end of the financial period comprise the following:		
Cash and bank balances	15,042	37,110
Deposits with licensed banks	6,741	8,012
Less: Bank Overdrafts	(1,835)	(72)
	19,948	45,050



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**PART A - EXPLANATORY NOTES PERSUANT TO FINANCIAL REPORTING STANDARD
(FRS) NO. 134**

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared under the historical cost convention and in accordance with the requirements of FRS 134 “Interim Financial Reporting” and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2008.

2. Changes in Accounting Policies

The significant accounting policies adopted in the interim financial report are consistent with those of adopted in the most recent available annual audited financial statements for the year ended 31 December 2008 and in the previous quarter.

3. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the year ended 31 December 2008 was not qualified.

4. Significant Event

During the quarter under review, there were no other significant event that have not been reflected in the financial statements except for the directive by the Cambodian government for all slot clubs in Cambodia to cease operations with effect from 26th February 2009. However, this directive does not affect our concession operations in casinos in Cambodia.

5. Comments about Seasonal or Cyclical Factors

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

6. Unusual Items due to their Nature, Size or Incidence

There were no items affecting assets, liabilities, equity, net income, or cash flows during the interim period.



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7. 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.

8. Changes in Debts and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities except for the following:

- **Employee Share Options Scheme (“ESOS”)**

Grant Date	Adjusted Exercise Price RM	Number of Options Over Ordinary Shares of RM0.10 each			Balance as at 31 Mar 2009 '000
		Balance as at 1 Jan 2009 '000	Exercised '000	Lapsed '000	
19 Oct 2005	0.35	23,595	-	4,740	18,855
7 July 2006	0.43	4,607	-	285	4,322
29 July 2006	0.42	4,179	-	-	4,179
29 June 2007	0.48	1,923	-	258	1,665
		34,304	-	5,283	29,021

All the above options expire on 18 Oct 2010.

- **Share Capital**

	Number of Ordinary Shares ('000) of RM0.10 each	
	2009	2008
As at 1 January	872,050	871,647
Ordinary shares issued pursuant to ESOS	-	403
As at 31 March/December	872,050	872,050

9. Dividend

No dividend was paid for the financial period ended 31 March 2009.



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10. Segmental Information

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

	3 MONTHS ENDED		3 MONTHS ENDED	
	31 MAR	31 MAR	31 MAR	31 MAR
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Sales and Marketing	14,699	10,694	14,699	10,694
Technical Support and Management	16,671	32,213	16,671	32,213
Leisure and Entertainment (1)	129	203	129	203
Others (2)	4,167	657	4,167	657
	<u>35,666</u>	<u>43,767</u>	<u>35,666</u>	<u>43,767</u>
Eliminations	(90)	(131)	(90)	(131)
Revenue	<u><u>35,576</u></u>	<u><u>43,636</u></u>	<u><u>35,576</u></u>	<u><u>43,636</u></u>
Segment Results				
Sales and Marketing	1,122	184	1,122	184
Technical Support and Management	(5,251)	9,924	(5,251)	9,924
Leisure and Entertainment	(2,944)	(204)	(2,944)	(204)
Others	1,489	(207)	1,489	(207)
	<u>(5,584)</u>	<u>9,697</u>	<u>(5,584)</u>	<u>9,697</u>
Unallocated Expenses/Income	5,837	(2,454)	5,837	(2,454)
- Foreign exchange (gain)/ loss	(7,240)	1,353	(7,240)	1,353
- Non-trade receivables written off	227	-	227	-
- Other expenses	1,176	1,101	1,176	1,101
Operating profit	<u><u>253</u></u>	<u><u>7,243</u></u>	<u><u>253</u></u>	<u><u>7,243</u></u>

Note

- (1) "Leisure and Entertainment" consists of revenue from companies involved in gaming and leisure activities.
- (2) "Others" consists of revenue from manufacturing activities, research & development activities and inter-segment transaction.

11. Valuation of Property, Plant and Equipment

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



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12. Subsequent Events

There were no material subsequent events at the date of this report.

13. Changes in the Composition of the Group

There were no material changes in the composition of the Group.

14. Changes in Contingent Liabilities and Contingent Assets

There were no material changes in contingent liabilities and assets in the reporting quarter.

15. Capital Commitments

The amount of capital commitments approved but not provided for in the interim financial statements is as follows:

	AS AT
	31 MAR 2008
	RM'000
Property, plant and equipment	71,424
Share of capital commitments of jointly controlled entities	605
	<u>72,029</u>



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16. Significant Related Party Transactions

	1.1.2009 to 31.03.2009 RM'000	1.1.2008 to 31.03.2008 RM'000
Sales of gaming and amusement machines, spare parts and accessories to:		
- Suneka Sdn. Bhd.	42	-
- Standard RGB Pte Ltd	-	2
- Euro Computer Engineering & Parts Sdn Bhd	-	60
- Fort-Garden Marketing Sdn Bhd	-	12
Purchase of gaming and amusement machines and accessories from:		
- Denver System Sdn. Bhd.	-	26
- Dreamgate (M) Sdn. Bhd.	-	92
Purchase of spare parts and services from:		
- Standard RGB Pte Ltd	-	23
Repair and maintenance services provided to:		
- Denver System Sdn. Bhd.	-	23
- Dreamgate (Malaysia) Sdn. Bhd.	-	20
- Euro Computer Engineering & Parts Sdn. Bhd.	-	13
- Standard RGB Pte Ltd	-	22
Consultancy fees paid to Capital Investment Australia Pty Ltd	44	-
Renting of premises from Dreamgate (Malaysia) Sdn Bhd	45	45

The abovementioned corporations are regarded as related parties of the Group as certain directors of the Group and/ or their family members have substantial interest in these corporations.

The directors are of the opinion that the related party transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.



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B. EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

17. Performance Review

	3 MONTHS ENDED			3 MONTHS ENDED		
	31 MAR	31 MAR	%	31 MAR	31 MAR	%
	2009	2008		2009	2008	
	RM'000	RM'000	+ / (-)	RM'000	RM'000	+ / (-)
Revenue						
Sales and Marketing	14,699	10,653	+38%	14,699	10,653	+38%
Technical Support and Management	16,671	32,213	-48%	16,671	32,213	-48%
Leisure and Entertainment (1)	129	203	-36%	129	203	-36%
Others (2)	4,077	567	+619%	4,077	567	+619%
Total	35,576	43,636	-18%	35,576	43,636	-18%
(Loss)/Profit before tax						
Sales and Marketing	1,122	184	+510%	1,122	184	+510%
Technical Support and Management	(5,251)	9,924	-153%	(5,251)	9,924	-153%
Leisure and Entertainment	(2,944)	(203)	+1350%	(2,944)	(203)	+1350%
Others	1,227	370	+232%	1,227	370	+232%
	(5,846)	10,275	-157%	(5,846)	10,275	-157%
Unallocated Income/Expenses	3,489	(4,725)	+174%	3,489	(4,725)	+174%
- Finance cost	2,348	2,271	+3%	2,348	2,271	+3%
- Foreign exchange (gain)/ loss	(7,240)	1,353	-635%	(7,240)	1,353	-635%
- Non-trade receivable written off	227	-	+100%	227	-	+100%
- Other expenses	1,176	1,101	+7%	1,176	1,101	+7%
(Loss)/Profit before tax	(2,357)	5,550	-142%	(2,357)	5,550	-142%

Note

- (1) "Leisure and Entertainment" consists of revenue from companies involved in gaming and leisure activities.
- (2) "Others" consists of revenue from manufacturing activities, research & development activities and inter-segment transaction.



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17. Performance Review (Continued)

The increase in revenue and profit before tax for SSM division by 38% and 510% respectively for quarter ended 31 March 2009 as compared with the previous years' corresponding quarter was mainly due to additional sales from new gaming establishment in Philippines.

The summary of number of machines sold for 3 months ended 31 March 2009 and 2008 are as follows:-

Country	Number of machines sold	
	31 Mar 2009	31 Mar 2008
	(Unit)	(Unit)
Macau	7	12
Malaysia	55	-
Philippines	132	50
Vietnam	-	37
Grand Total:	194	99

The revenue from TSM division decreased by 48% for quarter ended 31 March 2009 as compared with the previous years; corresponding quarter was mainly due to closure of clubs in Cambodia as per directive on 26th February 2009.

The summary of outlets in operations and the number of machines placed as at 31 March 2009 and 2008 are as follows:-

Country	Number of outlets as at	
	31 Mar 2009	31 Mar 2008
Cambodia	12	53
Philippines	15	12
Vietnam	3	3
Macau	2	-
Laos	1	1
Grand Total:	33	69

Country	Number of machines placed as at	
	31 Mar 2009	31 Mar 2008
	(Unit)	(Unit)
Cambodia	1,953	4,414
Philippines	1,648	1,172
Vietnam	194	194
Macau	218	-
Laos	59	59
Grand Total:	4,072	5,839



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17. Performance Review (Continued)

TSM division made an operating loss of RM 5.3 million during the quarter mainly due to the loss of revenue from closure of 44 clubs in Cambodia in December 2008 and February 2009 as directed by the authorities there while continue to incur fixed operating costs and cost of removal and relocation of machines affected by the closure.

The Leisure & Entertainments' division derived its revenue mainly from the Mekong Hotel & Club. The loss before tax of this division was caused by the following:

- I) further impairment loss of plant and equipment for Movieland amounted to approximately RM0.2 million.
- II) pre-operating costs of a casino.
- III) loss of revenue while continuing to incur fixed operating costs of a slot operation in a hotel & club which was closed in February 2009.
- IV) rental deposits of RM0.4 million written off on an aborted project.

The revenue and profit before tax of "Others" division increase was mainly contributed by sales of RGBGames and Elaut machines.

	Number of machines sold	
	31 Mar 2009	31 Mar 2008
	(Unit)	(Unit)
RGBGames	76	-
Elaut	8	-
Grand Total:	84	-



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18. Comparison with previous quarter's results

	CURRENT QUARTER RM'000	PREVIOUS QUARTER RM'000	% +/(-)
Revenue			
Sales and Marketing	14,699	12,077	+22%
Technical Support and Management	16,671	25,768	-35%
Leisure and Entertainment (1)	129	3,536	-96%
Others (2)	4,077	5,440	-25%
	35,576	46,821	-24%
Profit / (Loss) before taxation			
Sales and Marketing	1,122	13	+8531%
Technical Support and Management	(5,251)	(11,616)	-55%
Leisure and Entertainment	(2,944)	(8,341)	-65%
Others	1,227	(371)	+431%
	(5,846)	(20,315)	-71%
Unallocated Income/Expenses	3,489	(2,765)	+226%
- Finance cost	2,348	2,703	-13%
- Foreign exchange gain	(7,240)	(2,283)	+217%
- Non-trade receivables written off	227	1,376	-84%
- Other expenses	1,176	969	+21%
	(2,357)	(23,080)	-90%
Loss before tax	(2,357)	(23,080)	-90%

Note

- (1) "Leisure and Entertainment" consists of revenue from companies involved in gaming and leisure activities.
- (2) "Others" consists of revenue from manufacturing activities, research & development activities and inter-segment transaction.

The increase in revenue and profit before taxation for the SSM division was mainly due to additional sales from new gaming establishment in Philippines.

The decrease in revenue for the TSM division and Leisure and Entertainment division was due to the closure of clubs mentioned earlier and the prevailing economic slowdown, which presumably affected the disposable income of players.

The decrease in loss before tax for TSM and Leisure and Entertainment division was due to minimal impairment costs in this quarter as compared to previous quarter.

The substantial increase in profit before tax for "Others" segment was mainly due to better margin and decrease in direct operating expenses.



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19. Commentary on Prospects

Prospects for the Group are improving as:

1. New games developed by in-house R&D under our proprietary brand of RGBGames are now performing up to expectation of casino/slot operators across this region. In certain locations, our games are outperforming other well established brands. As such, we are confident of securing more orders for RGBGames.
2. Machines under our distribution have shown sign of better demand across this region.
3. The demand for in-house table games layouts and accessories is on the uptrend.
4. TSM has successfully concluded new venues in the Philippines, Laos and Cambodia which will see significant deployment of gaming machines affected by the closure of clubs in Cambodia. In addition, the Group also managed to secure new venues in Macau with placement of new gaming machines.
5. The Group's new casino in Cambodia is scheduled to open during the 3rd quarter of 2009.

20. Profit Forecast

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

21. Income Tax Expense

	3 MONTHS ENDED		3 MONTHS ENDED	
	31 MAR 2009	31 MAR 2008	31 MAR 2009	31 MAR 2008
	RM'000	RM'000	RM'000	RM'000
Income Tax				
- Current period	<u>168</u>	<u>32</u>	<u>168</u>	<u>32</u>

Domestic income tax is calculated at the Malaysian statutory rate of 26% (2008: 27%) of the estimated assessable profit for the period. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

22. Profit on sale of Investments and/or Properties

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

23. Purchase and Disposal of Quoted Securities

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



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24. Corporate Proposals

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

(a) Status of utilization of listing proceeds

Purpose	Revised Proposed Utilisation as approved by SC RM'000	Actual Utilisation as at 31 MAR 2009 RM'000	Expected Utilisation by 12 JAN 2011 RM'000
Purchase of plant and machinery	3,415	3,415	-
Research & development	5,915	5,694	221
Overseas expansion	15,000	15,000	-
Regional Trade Mark registration	670	173	497
Advertising, promotion and branding	3,000	3,000	-
Working capital	7,461	7,461	-
Estimated listing expenses	1,753	1,753	-
Total	37,214	36,496	718

(b) Status Of Employee Share Option Scheme (“ESOS”)

Grant Date	Adjusted Exercise Price RM	Number of Options Over Ordinary Shares of RM0.10 each			Balance as at 31 Mar 2009 '000
		Balance as at 1 Jan 2009 '000	Exercised '000	Lapsed '000	
19 Oct 2005	0.35	23,595	-	4,740	18,855
7 July 2006	0.43	4,607	-	285	4,322
29 July 2006	0.42	4,179	-	-	4,179
29 June 2007	0.48	1,923	-	258	1,665
		34,304	-	5,283	29,021

All the above options expire on 18 October 2010.

(c) Issuance of Commercial Paper (“CP”) and/ or Medium Term Notes (“MTN”) with an aggregate nominal value of RM200 million (“CP/ MTN” Programme)

As at 31 March 2009, the Company has outstanding CPs of RM94.25 million with tenure of 1 - 3 months.



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25. Borrowings

	AS AT 31 MAR 2009 RM'000	AS AT 31 DEC 2008 RM'000
Short Term Borrowings:		
<u>Secured</u>		
Bank overdrafts	1,835	2,009
Bankers' acceptances	16,019	12,989
Term loans	19,715	18,690
Hire purchase payable	-	63
<u>Unsecured</u>		
Commercial Papers	93,583	94,241
	131,152	127,992
Long Term Borrowings:		
<u>Secured</u>		
Term loans	20,514	24,641
Total borrowings	151,666	152,633

Borrowings denominated in foreign currency as at 31 March 2009:

	USD'000	RM'000
Borrowings (USD'000)	8,113	29,690

26. 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.

27. 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.



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28. Earnings Per Share

(a) Basic

Basic earnings per share amounts are calculated by dividing the (loss) / profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

	3 MONTHS ENDED		3 MONTHS ENDED	
	31 MAR	31 MAR	31 MAR	31 MAR
	2009	2008	2009	2008
(Loss)/Profit attributable to ordinary equity holders of the Company (RM'000)	<u>(2,207)</u>	<u>5,569</u>	<u>(2,207)</u>	<u>5,569</u>
Weighted average number of ordinary shares in issue ('000)	<u>872,050</u>	<u>871,955</u>	<u>872,050</u>	<u>871,955</u>
Basic (loss)/earnings per share (sen)	<u>(0.25)</u>	<u>0.64</u>	<u>(0.25)</u>	<u>0.64</u>

(b) Diluted

For the purpose of calculating diluted earnings per share, the (loss) / profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of share options granted to employee

	3 MONTHS ENDED		3 MONTHS ENDED	
	31 MAR	31 MAR	31 MAR	31 MAR
	2009	2008	2009	2008
(Loss)/Profit attributable to ordinary equity holders of the Company (RM'000)	<u>(2,207)</u>	<u>5,569</u>	<u>(2,207)</u>	<u>5,569</u>
Weighted average number of ordinary shares in issue ('000)	<u>872,050</u>	<u>871,955</u>	<u>872,050</u>	<u>871,955</u>
Effect of dilution of share options	<u>-</u>	<u>8,916</u>	<u>-</u>	<u>8,916</u>
Adjusted weighted average number of ordinary shares in issue and issuable	<u>872,050</u>	<u>880,871</u>	<u>872,050</u>	<u>880,871</u>
Diluted (loss)/earnings per share (sen)	<u>(0.25)</u>	<u>0.63</u>	<u>(0.25)</u>	<u>0.63</u>



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29. Authorisation For Issue

On 28 May 2009, 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
28 May 2009