

CWORKS SYSTEMS BERHAD

(Company No: 554979-T)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 1st quarter ended 31.03.2009

CONDENSED CONSOLIDATED INCOME STATEMENTS

(These figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	RM('000)	RM('000)	RM('000)	RM('000)
Revenue	1,092	1,447	1,092	1,447
Operating expenses	(2,138)	(1,402)	(2,138)	(1,402)
Other operating income	66	22	66	22
Profit/(Loss) from operations	(980)	67	(980)	67
Finance cost	-	-	-	-
Investing results	-	-	-	-
Profit/(Loss) before taxation	(980)	67	(980)	67
Taxation	-	(4)	-	(4)
Profit/(Loss) for the period	<u>(980)</u>	<u>63</u>	<u>(980)</u>	<u>63</u>
Attributable to:				
Equity holders of the parent	(1,058)	32	(1,058)	32
Minority interests	78	31	78	31
	<u>(980)</u>	<u>63</u>	<u>(980)</u>	<u>63</u>
Earnings/(Loss) per share attributable to equity holders of the parent (Sen)				
(a) Basic	(1.06)	0.03	(1.06)	0.03
(b) Fully diluted	N/A	N/A	N/A	N/A

(The Condensed Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008)

CWORKS SYSTEMS BERHAD

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CONDENSED CONSOLIDATED BALANCE SHEETS

(These figures have not been audited)

	AS AT END OF CURRENT YEAR QUARTER 31/03/2009 RM('000)	AS AT PRECEDING FINANCIAL YEAR END 31/12/2008 RM('000)
PROPERTY, PLANT AND EQUIPMENT	721	603
INTANGIBLE ASSETS	4,055	4,230
CURRENT ASSETS		
<i>Trade Receivables</i>	3,463	3,587
<i>Other Receivables and Prepaid Expenses</i>	1,714	1,682
<i>Fixed Deposits with Licensed Banks</i>	809	1,003
<i>Cash and Bank Balances</i>	227	735
	6,213	7,007
CURRENT LIABILITIES		
<i>Trade Payables</i>	14	2
<i>Other Payables and Accrued Expenses</i>	702	571
<i>Amount Owing To Directors</i>	49	49
	765	622
NET CURRENT ASSETS	5,448	6,385
	10,224	11,218
FINANCED BY:		
Share Capital	10,000	10,000
Reserves		
<i>Retained Profit/(Accumulated Loss)</i>	(993)	65
<i>Share Premium</i>	957	957
<i>Exchange Adjustment</i>	(19)	(5)
	9,945	11,017
Minority interest	279	201
TOTAL EQUITY	10,224	11,218
Net assets per share attributable to ordinary equity holders of the parent (sen)	9.94	11.02

(The Condensed Balance Sheets should be read in conjunction with
the Annual Financial Report for the year ended 31 December 2008)

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(These figures have not been audited)

	-----Attributable to Equity Holders of the Company----->				Total	Minority interest	Total Equity
	Share Capital	Non- Distributable - Share Premium	Non- Distributable - Exchange Adjustment	Distributable - Retained Profit/ (Accumulated Loss)			
	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)
3 months ended 31 March 2009							
Balance as at 1 January 2009	10,000	957	(5)	65	11,017	201	11,218
Net loss for the period (Cumulative)	-	-	-	(1,058)	(1,058)	78	(980)
Translation of foreign subsidiary	-	-	(14)	-	(14)	-	(14)
Balance as at 31 March 2009	<u>10,000</u>	<u>957</u>	<u>(19)</u>	<u>(993)</u>	<u>9,945</u>	<u>279</u>	<u>10,224</u>
3 months ended 31 March 2008							
Balance as at 1 January 2008	10,000	957	7	37	11,001	53	11,054
Net profit for the period (Cumulative)	-	-	-	32	32	31	63
Balance as at 31 March 2008	<u>10,000</u>	<u>957</u>	<u>7</u>	<u>69</u>	<u>11,033</u>	<u>84</u>	<u>11,117</u>

(The Condensed Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008)

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

(These figures have not been audited)

	3 months ended 31.03.2009	3 months ended 31.03.2008
	RM('000)	RM('000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	(980)	67
Adjustments for:		
Interest income	(6)	(22)
Amortisation of intangible assets	307	186
Allowance for doubtful debts	1	-
Depreciation of property, plant and equipment	62	41
Operating profit/(loss) before working capital changes	(616)	272
Changes in working capital:		
Net change in current assets	91	1,725
Net change in current liabilities	143	(192)
Cash From/(Used In) Operations	(382)	1,805
Interest received	6	22
Tax paid	-	(2)
Development cost incurred	(132)	(685)
Net cash from/(used in) operating activities	(508)	1,140
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(180)	(11)
Net cash used in investing activities	(180)	(11)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(688)	1,129
EFFECTS OF EXCHANGE RATE CHANGES	(14)	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	1,738	2,743
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	(Note A15) 1,036	3,872

(The Condensed Cash Flow Statements should be read in conjunction with
the Annual Financial Report for the year ended 31 December 2008)

CWORKS SYSTEMS BERHAD

(Company No: 554979-T)

(Incorporated in Malaysia)

Quarterly report on consolidated results for the 1st quarter ended 31.03.2009

NOTES

A EXPLANATORY NOTES PURSUANT TO FRS 134 INTERIM FINANCIAL REPORTING

A1 Basis of preparation

The interim financial report has been prepared in compliance with FRS 134, Interim Financial Reporting and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2008.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the year ended 31 December 2008.

A2 Auditors' report of preceding annual financial statements

The auditors' report on the preceding year's annual audited financial statements was not subject to any qualification.

A3 Seasonal or cyclical factors

The Group's operations were not subject to any seasonal or cyclical changes.

A4 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group since the last annual audited financial statements.

A5 Material changes in estimates

There were no changes in estimates of amounts reported in prior financial years, which may have a material effect in the current financial quarter.

A6 Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter.

A7 Dividend paid

There were no dividends paid during the current financial quarter

A8 Segment information

Segmental information is presented only in respect of the Group's geographical segments. There is no information on business segments as the Group is principally involved in software development.

GEOGRAPHICAL SEGMENTS	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/2009 RM('000)	31/03/2008 RM('000)	31/03/2009 RM('000)	31/03/2008 RM('000)
REVENUE				
Malaysia	858	1,189	858	1,189
United States of America	234	258	234	258
	<u>1,092</u>	<u>1,447</u>	<u>1,092</u>	<u>1,447</u>

GEOGRAPHICAL SEGMENTS	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER	CORRESPONDING	TO DATE	CORRESPONDING
	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	RM('000)	RM('000)	RM('000)	RM('000)
<u>PROFIT/(LOSS) BEFORE TAXATION</u>				
Malaysia	(859)	5	(859)	5
United States of America ("USA")	(121)	62	(121)	62
	<u>(980)</u>	<u>67</u>	<u>(980)</u>	<u>67</u>

A9 Valuation of property, plant and equipment

The Group has not carried out any valuation on its property, plant and equipment.

A10 Material events subsequent to the end of the quarter

There were no material events subsequent to the current financial quarter ended 31 March 2009 up to the date of this report which, is likely to substantially affect the results of the operations of the Group.

A11 Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial quarter.

A12 Contingent liabilities

There were no contingent liabilities as at the date of this announcement.

A13 Capital commitments

There were no capital commitments as at the date of this announcement.

A14 Significant related party transactions

There were no significant related party transactions as at the date of this announcement.

A15 Cash and cash equivalents

	31.03.2009	31.03.2008
	RM('000)	RM('000)
Fixed Deposits with Licensed Banks	809	3,070
Cash and Bank Balances	227	802
	<u>1,036</u>	<u>3,872</u>

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE MESDAQ MARKET

B1 Review of performance

The Group recorded a turnover of approximately RM1.09 million for the current financial quarter, this represents a reduction of approximately 25% as compared to the same corresponding financial quarter in 2008 ("Q1 2008"). As a result of lower turnover from its operations in Malaysia and higher operating costs incurred in current financial quarter, the Group recorded a loss before taxation of RM0.98 million for the current quarter as compared to a profit before taxation of RM0.07 million recorded in Q1 2008.

B2 Variation of results against preceding quarter

The Group recorded a turnover of approximately RM1.09 million for the current financial quarter, this represents a reduction of approximately 50% as compared to the preceding financial quarter ("Q4 2008"). As a result of lower turnover from its operations in Malaysia and higher operating costs incurred in current financial quarter, the Group recorded a loss before taxation of RM0.98 million for the current quarter as compared to a profit before taxation of RM0.54 million recorded in Q4 2008.

B3 Prospects

Based on the performance to date and the current global financial turmoil, the Board expects that Year 2009 will be a challenging year for the Group.

B4 Profit forecast and profit guarantee

The Group did not announce any profit forecast nor profit guarantee during the financial quarter.

B5 Taxation

The Company and its subsidiary have been awarded Multimedia Super Corridor status. Accordingly, there is no tax charge on the business income for the financial quarter under review as the Company and its subsidiary have been granted pioneer status under the Promotion of Investments (Amendment) Act, 1997.

No provision for income tax has been made for foreign subsidiary as the foreign subsidiary incurred operating loss.

B6 Unquoted investments and properties

There were no acquisitions or disposals of unquoted investments and properties for the financial quarter under review.

B7 Quoted securities

There were no acquisitions or disposals of quoted securities for the financial quarter under review.

B8 Status of corporate proposals

There were no corporate proposals announced but still pending completion as at to date.

B9 Group's borrowings and debt securities

There were no borrowings and debt securities for the financial quarter under review.

B10 Off balance sheet financial instruments

There were no financial instruments with off-balance sheet risk as at the date of this announcement applicable to the Group.

B11 Material litigations

On 23 November 2006, the Company filed a Writ of Summons and a Statement of Claim with the Shah Alam High Court (Suit No. MT4-22-1551-2006) and the copy of sealed Writ of Summons and Statement of Claim were served on Metronic Global Berhad's ("Metronic") solicitors on 8 January 2007.

The Company is claiming for an outstanding amount of RM1,751,617.27 and interest charges at the rate of 8% per annum on the aforesaid amount from the date of filing of the Writ of Summons until the payment date. The claims represent outstanding payments due from Metronic for the development and provision of the Company's software pursuant to the Software Development Agreement dated 9 May 2005 between the Company and Metronic.

The legal proceeding is still on-going.

B12 Dividends

No dividend has been declared in respect of the financial period under review.

B13 Earnings/(Loss) per share

a. Basic earnings/(loss) per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/2009 RM('000)	31/03/2008 RM('000)	31/03/2009 RM('000)	31/03/2008 RM('000)
Profit/(Loss) attributable to ordinary equity holders of the parent	<u>(1,058)</u>	<u>32</u>	<u>(1,058)</u>	<u>32</u>
Weighted average number of ordinary shares in issue ('000)	<u>100,001</u>	<u>100,001</u>	<u>100,001</u>	<u>100,001</u>
Basic earnings/(loss) per share (sen)	<u>(1.06)</u>	<u>0.03</u>	<u>(1.06)</u>	<u>0.03</u>

b. Diluted earnings/(loss) per share

The fully diluted earnings/(loss) per share have not been presented as there is no diluted effect for the shares of the Group.

By Order of the Board

Wong Keo Rou (MAICSA 7021435)
Lim Hui Lee (MAICSA 7055378)
Secretaries

Kuala Lumpur
Date: 29 May 2009