

AIROCOM TECHNOLOGY BERHAD (498908-A)

(Incorporated In Malaysia)

Quarterly Report on Consolidated Results for the 2nd Quarter Ended 30th June, 2006**Condensed Consolidated Income Statement**

(The figures have not been audited)

	INDIVIDUAL QUARTER	CUMMULATIVE
	Current Year Quarter 30/06/2006	QUARTER Current Year To Date 30/06/2006
	RM'000	RM'000
Revenue	672	849
Other Operating Income	73	73
	745	922
Cost of Software and Other Related Costs	(419)	(454)
Staff Costs	(381)	(735)
Other Operating Expenses	(583)	(814)
Loss before Depreciation and Amortisation and Finance Costs	(638)	(1,081)
Depreciation and Amortisation Expenses	(261)	(496)
Loss From Operations	(899)	(1,577)
Finance Costs	40	(67)
Loss Before Taxation	(939)	(1,644)
Taxation	-	-
Net Loss for the Period	(939)	(1,644)
Basic Earnings per Share (sen)	(0.93)	(1.64)
Diluted earnings per share (sen)	-	-

The Condensed Consolidated Income Statement should be read in conjunction with the Financial Statements for the Year Ended 31st December, 2005

AIROCOM TECHNOLOGY BERHAD (498908-A)

(Incorporated In Malaysia)

Condensed Consolidated Balance Sheet

(The figures have not been audited)

	As At End of Current Quarter 30/06/2006	As At Preceding Financial Year End 31/12/2005
	RM'000	RM'000
Non-Current Assets		
Property, Plant and Equipment	4,594	3,787
Intangible Asset	2,906	3,094
Development Costs	2,049	1,808
	9,549	8,689
Current Assets		
Work In Progress	4,619	4,378
Trade Receivables	19,896	18,191
Other Receivables	1,963	1,165
Amount Due from Holding Company	-	472
Security Deposit with Licensed Financial Institution	569	479
Cash and Bank Balances	9,044	3
	36,091	24,688
Current Liabilities		
Trade Payables	11,861	11,794
Other Payables	341	774
Amount Due to Directors	63	33
Advance Billing	1,286	-
Term Loans	155	-
Bank Overdraft	-	1,277
Hire Purchase Creditors	50	96
	13,756	13,974
NET CURRENT ASSETS	22,335	10,714
	31,884	19,403
FINANCED BY :		
Share Capital	15,150	7,500
Share Premium	6,113	-
Retained Profits	7,517	9,161
	28,780	16,661
Long Term Liabilities		
Hire Purchase Creditors	481	481
Term Loans	2,623	2,261
	31,884	19,403
NET ASSETS PER SHARE (RM)	0.29	0.22

The Condensed Consolidated Balance Sheet should be read in conjunction with the Financial Statements for the for the Year Ended 31st December, 2005.

AIROCOM TECHNOLOGY BERHAD (498908-A)

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Condensed Statement of Changes in Equity for the 2nd Quarter Ended 30th June, 2006

(The figures have not been audited)

	NOTE	Share <u>Capital</u> (RM'000)	Share <u>Premium</u> (RM'000)	Revaluation <u>Reserve</u> (RM'000)	Translation <u>Reserve</u> (RM'000)	Retained <u>Profits</u> (RM'000)	<u>Total</u> (RM'000)
Balance as at 01/01/2006		7,500	-	-	-	9,161	16,661
Initial Public Offering		2,600	13,000	-	-	-	15,600
Bonus issue via: Capitalisation of Share Premium		5,050	(5,050)	-	-	-	-
Listing Expenses		-	(1,837)	-	-	-	(1,837)
Net Loss for the Period		-	-	-	-	(1,644)	(1,644)
Balance as at 30/06/2006		<u>15,150</u>	<u>6,113</u>	<u>-</u>	<u>-</u>	<u>7,517</u>	<u>28,780</u>

The Condensed Statement of Changes in Equity should be read in conjunction with the Financial Statements for the Year Ended 31st December, 2005.

AIROCOM TECHNOLOGY BERHAD (498908-A)

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Condensed Consolidated Cash Flow Statement for the 2nd Quarter Ended 30th June, 2006

	Current Period Ended 30/06/2006
	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss Before Taxation	(939)
Adjustments For :	
Loss on Disposal of Property, Plant and Equipment	137
Interest Expenses	40
Interest Income	(50)
Unrealised Gain on Foreign Exchange	(23)
Depreciation and Amortisation Expenses	261
Operating Loss Before Working Capital Changes	(574)
Decrease in Amount Due from Holding Company	91
Increase in Amount Due to Director	17
Decrease in Work In Progress	122
Increase in Receivables	(2,413)
Increase in Development Costs	(148)
Increase in Advance Billing	1,286
Increase in Payables	(849)
Decrease in Amount Due to Shareholder	(130)
Cash Used In Operations	(2,598)
Interest Expenses Paid	(40)
Interest Received	50
Unrealised Gain on Foreign Exchange	23
Net Cash Used In Operating Activities	(2,565)
CASH FLOWS FROM INVESTING ACTIVITY	
Purchase of Property, Plant and Equipment	(626)
Net Cash Used In Investing Activity	(626)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from the Issue of Shares	15,600
Increase in Security Deposit with Licensed Financial Institution	(45)
Repayment of Borrowings	(1,830)
Repayment of Hire Purchase Creditors	(39)
Net Cash Generated From Financing Activities	13,686
NET INCREASE IN CASH AND CASH EQUIVALENTS	10,495
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	(1,451)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	9,044

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Financial Statements for the Year Ended 31st December, 2005