

AIROCOM TECHNOLOGY BERHAD (498908-A)

(Incorporated In Malaysia)

Quarterly Report on Consolidated Results for the 2nd Quarter Ended 30 June , 2007**Condensed Consolidated Income Statement**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMMULATIVE QUARTER	
	Current Year Quarter 30/06/2007	Preceding Year Corresponding Quarter 30/06/2006	Current Year To Date 30/06/2007	Preceding Year Corresponding Period 30/06/2006
	RM'000	RM'000	RM'000	RM'000
Revenue	167	672	223	849
Other Operating Income	147	73	327	73
	314	745	550	922
Cost of Good Sold	26	419	46	454
Staff Costs	383	381	792	735
Operating Expenses	8,473	583	8,949	814
Loss before Depreciation and Amortisation and Finance Costs	(8,568)	(638)	(9,237)	(1,081)
Depreciation and Amortisation Expenses	276	261	559	496
Loss From Operations	(8,844)	(899)	(9,796)	(1,577)
Finance Costs	47	40	109	67
Loss Before Taxation	(8,891)	(939)	(9,905)	(1,644)
Taxation	-	-	-	-
Net Loss for the Period	(8,891)	(939)	(9,905)	(1,644)
Basic Earnings per Share (sen)	(5.87)	(0.93)	(6.54)	(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, 2006

AIROCOM TECHNOLOGY BERHAD (498908-A)

(Incorporated In Malaysia)

Condensed Consolidated Balance Sheet

(The figures have not been audited)

	As At End of Current Quarter 30/06/2007	As At Preceding Financial Year End 31/12/2006
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	926	1,205
Investment Properties	3,278	3,311
Intangible Asset	2,531	2,719
Development Costs	2,724	2,437
	9,459	9,672
Current Assets		
Work In Progress	2,381	6,882
Receivables	8,132	23,983
Security Deposit with Licensed Financial Institution	745	659
Fixed Deposit with Licensed Financial Institution	-	-
Cash and Bank Balances	3,377	4,397
	14,635	35,921
TOTAL ASSETS	24,094	45,593
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share Capital	15,150	15,150
Share Premium	6,150	6,150
Retained Profits	(3,911)	5,994
	17,389	27,294
Non-Current Liabilities		
Hire Purchase Creditors	332	377
Term Loans	2,440	2,440
	2,772	2,817
Current Liabilities		
Trade Payables	907	13,636
Advance Billing	1,244	1,279
Overdraft	1,579	-
Term Loan	155	471
Hire Purchase Creditors	48	96
	3,933	15,482
TOTAL EQUITY AND LIABILITIES	24,094	45,593
NET ASSETS PER SHARE (RM)	0.11	0.22

The Condensed Consolidated Balance Sheet should be read in conjunction with the Financial Statements for the for the Year Ended 31st December, 2006.

AIROCOM TECHNOLOGY BERHAD (498908-A)

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Condensed Statement of Changes in Equity for the 2ndt Quarter Ended 30th June, 2007.

(The figures have not been audited)

NOTE	<u>Share Capital</u> (RM'000)	<u>Share Premium</u> (RM'000)	<u>Revaluation Reserve</u> (RM'000)	<u>Translation Reserve</u> (RM'000)	<u>Retained Profits</u> (RM'000)	<u>Total</u> (RM'000)
Balance as at 01/01/2007	15,150	6,150	-	-	5,994	27,294
Net Loss for the Period	-	-	-	-	(9,905)	(9,905)
Balance as at 30/06/2007	<u>15,150</u>	<u>6,150</u>	<u>-</u>	<u>-</u>	<u>(3,911)</u>	<u>17,389</u>

The Condensed Statement of Changes in Equity should be read in conjunction with the Financial Statements for the Year Ended 31st December, 2006.

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Condensed Consolidated Cash Flow Statement for the 2nd Quarter Ended 30th June, 2007

	Current Period Ended 30/06/2007	As At Preceding Period Ended 30/06/2006
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss Before Taxation	(8,891)	(939)
Adjustments For :		
Property, Plant and Equipment Written Off		137
Interest Received	(9)	(50)
Interest Expenses	47	40
Unrealised Gain on Foreign Exchange	-	(23)
Depreciation and Amortisation Expenses	276	261
Operating Loss Before Working Capital Changes	(8,577)	(574)
Decrease in Amount Due from Holding Company	-	91
Decrease/(Increase) in Work In Progress	3,869	122
Increase in Receivables	15,890	(2,413)
Increase in Advance Billing	(8)	1,286
Decrease in Development Cost	(145)	(148)
(Decrease)/ Increase in Payables	(11,900)	(832)
Decrease in Amount Due to Shareholder	-	(130)
Cash Used In Operations	(871)	(2,598)
Interest Expenses Paid	(47)	(40)
Net Cash Used In Operating Activities	(918)	(2,638)
CASH FLOWS FROM INVESTING ACTIVITY		
Addition to Development Cost	(189)	-
Interest Received	9	50
Unrealised Gain on Foreign Exchange	-	23
Purchase of Property, Plant and Equipment	(3)	(626)
Disposal of Development Cost	-	-
Proceed from Disposal Property, Plant and Equipment	-	-
Net Cash Used In Investing Activity	(183)	(553)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the Issue of Shares		15,600
Addition to Security Deposit with Licensed Financial Institution	(45)	(45)
Drawdown of Borrowing	216	
Repayment of Borrowings	(142)	(1,830)
Repayment of Hire Purchase Creditors	(18)	(39)
Net Cash Generated From Financing Activities	11	13,686
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,090)	10,495
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	2,888	(1,451)
CASH AND CASH EQUIVALENTS CARRIED FORWARD^	1,798	9,044

^ Cash and Cash Equivalent at the end of financial period comprise of the following :

	Current Period Ended 30/06/2007	As At Preceding Period Ended 30/06/2006
Cash in Hand and at Bank	3,377	9,044
Fixed Deposit at Licensed Financial Institution		-
Overdraft	(1,579)	-
	1,798	9,044

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Financial Statements for the Year Ended 31st December, 2006

