

**COMPUGATES HOLDINGS BERHAD**  
**(Company No. 669287 - H)**  
**(Incorporated in Malaysia)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2010**

	(Unaudited)	(Audited)
	AS AT END OF CURRENT YEAR QUARTER ENDED 31 DECEMBER 2010 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31 DEC 2009 RM'000
Note		
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property and equipment	16,724	16,836
Plantation Expenditure	1,130	-
Available-for-sale investments	9,834	-
Quoted investments	-	12,033
Investment properties	5,780	5,290
Deferred tax asset	3	3
Goodwill on consolidation	35,991	35,991
	<u>69,462</u>	<u>70,153</u>
<b>CURRENT ASSETS</b>		
Inventories	19,818	26,034
Receivables	21,884	21,432
Tax refundable	1,278	62
Cash and cash equivalents	16,102	27,736
	<u>59,082</u>	<u>75,264</u>
<b>TOTAL ASSETS</b>	<u>128,544</u>	<u>145,417</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	213,429	213,429
Fair value reserve	-	-
Revaluation reserve	883	883
Exchange fluctuation reserve	(203)	(199)
Accumulated losses	(122,247)	(107,352)
<b>Equity attributable to owners of the Parent</b>	<u>91,862</u>	<u>106,761</u>
Minority Interest	1,363	3,089
<b>TOTAL EQUITY</b>	<u>93,225</u>	<u>109,850</u>
<b>NON-CURRENT AND DEFERRED LIABILITIES</b>		
Deferred taxation	609	649
<b>CURRENT LIABILITIES</b>		
Payables	21,795	33,463
Amount owing to a director	-	200
Amount owing to shareholders of subsidiaries	5,885	141
Short-term borrowing	6,348	86
Provision for taxation	682	1,028
	<u>34,710</u>	<u>34,918</u>
<b>TOTAL LIABILITIES</b>	<u>35,319</u>	<u>35,567</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>128,544</u>	<u>145,417</u>
Net Assets attributable to owners of Parent per share (RM)		
On ordinary shares of:		
- RM0.10 each	<u>0.04</u>	<u>0.05</u>

The unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

**COMPUGATES HOLDINGS BERHAD**  
**(Company No. 669287 - H)**  
**(Incorporated in Malaysia)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 31 DECEMBER 2010**

The actual results of Compugates Holdings Berhad for the period ended 31 December 2010 are as follows:-

	NOTE	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER ENDED 31 DECEMBER 2010 RM'000 (Unaudited )	CORRESPONDING QUARTER ENDED 31 DECEMBER 2009 RM'000 (Unaudited )	CURRENT YEAR TO DATE 31 DECEMBER 2010 RM'000 (Unaudited )	CORRESPONDING PERIOD ENDED 31 DECEMBER 2009 RM'000 (audited )
REVENUE		160,493	143,462	637,769	733,148
COST OF SALES		(160,019)	(142,863)	(635,362)	(726,466)
GROSS PROFIT		474	599	2,407	6,682
OTHER INCOME		4,879	3,070	15,525	10,703
SALES AND MARKETING EXPENSES		(277)	(133)	(863)	(1,221)
ADMINISTRATIVE EXPENSES		(7,945)	(3,673)	(23,364)	(13,016)
OTHER EXPENSES		(4,494)	(1,860)	(5,684)	(2,486)
FINANCE COSTS		(54)	(58)	(106)	(142)
(LOSS)/PROFIT FROM OPERATION		(7,417)	(2,055)	(12,085)	520
IMPAIRMENT LOSS OF GOODWILL ON CONOLIDATION		-	(92,335)	-	(92,335)
LOSS BEFORE TAXATION		(7,417)	(94,390)	(12,085)	(91,815)
INCOME TAX EXPENSE	20	41	(159)	(668)	(1,718)
LOSS AFTER TAXATION		(7,376)	(94,549)	(12,753)	(93,533)
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in fair value reserve of available-for-sale investment:					
- Gain/(Loss) on changes in fair value		503	-	(1,714)	-
- Transfer to profit or loss on diposal		59	-	59	-
- Loss reclassified to profit or loss		2,115	-	2,115	-
Foreign currency translation		38	(503)	(331)	(385)
Share of profit arising from acquisition of subsidiary		-	(895)	-	-
Revaluation surplus on land and buildings		-	-	-	1,137
Deferred tax on revaluation surplus		-	-	-	(254)
Total other comprehensive income/(loss), net of tax		2,715	(1,398)	129	498
<b>TOTAL COMPREHENSIVE LOSS</b>		<b>(4,661)</b>	<b>(95,947)</b>	<b>(12,624)</b>	<b>(93,035)</b>
<b>LOSS ATTRIBUTABLE TO:</b>					
Owners of the Parent		(6,154)	(94,271)	(11,870)	(93,855)
Minority Interest		(1,222)	(278)	(883)	322
		(7,376)	(94,549)	(12,753)	(93,533)
<b>TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:</b>					
Owners of the Parent		(3,473)	(94,774)	(11,414)	(93,357)
Minority Interest		(1,188)	(1,173)	(1,210)	322
		(4,661)	(95,947)	(12,624)	(93,035)
<b>LOSS PER SHARE (SEN)</b>					
Basic on ordinary shares of: - RM0.10 each	29	(0.29)	(4.42)	(0.56)	(4.40)
Diluted	29	N/A	N/A	N/A	N/A

The unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

COMPUGATES HOLDINGS BERHAD  
(Company No. 669287 - H)  
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW  
FOR THE QUARTER ENDED 31 DECEMBER 2010

<u>Note</u>	CURRENT YEAR TO DATE 31 DECEMBER 2010 RM'000 (Unaudited)	CORRESPONDING YEAR ENDED 31 DEC 2009 RM'000 (Audited)
<b>CASH FLOWS (FOR) / FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(12,085)	(91,815)
Adjustments for:-		
Non-cash items	5,017	94,682
Interest expense	83	94
Interest income	(380)	(432)
Operating (loss)/profit before working capital changes	(7,365)	2,529
Increase/(Decrease) in inventories	6,112	(8,665)
(Increase)/Decrease in receivables	(2,475)	48,239
(Decrease)/Increase in payables	(11,667)	9,042
<b>Cash (for) / generated from operations</b>	(15,395)	51,145
Interest paid	(83)	(160)
Income tax paid	(2,269)	(94)
<b>NET CASH (FOR) / FROM OPERATING ACTIVITIES</b>	(17,747)	50,891
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	380	432
Plantation expenditure	(1,130)	-
Purchase of property and equipment	(1,385)	(972)
Acquisition of subsidiary, net of cash acquired	-	(16,000)
Increase in investment property	(533)	(87)
Purchase of available-for-sale investments	(3,331)	(12,683)
Proceeds from disposal of available-for-sale investments	411	688
Proceeds from disposal of property and equipment	746	26
<b>NET CASH FOR INVESTING ACTIVITIES</b>	(4,842)	(28,596)
<b>CASH FLOWS FROM / (FOR) FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares to minority shareholders	12	-
Dividend paid to minority shareholders	(528)	(8,377)
Net drawdown/(repayment) of bankers' acceptance	6,348	(2,074)
Advance from shareholders of subsidiaries	5,744	103
(Repayment to)/Advance a director	(200)	200
Payments of hire purchase obligations	(86)	(112)
<b>NET CASH FROM / (FOR) FINANCING ACTIVITIES</b>	11,290	(10,260)
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	(11,299)	12,035
<b>EFFECTS OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	(335)	(366)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	27,736	16,067
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	16,102	27,736
<b>NOTES TO CASH FLOW STATEMENTS</b>		
Cash and cash equivalents comprise:		
Fixed deposits with licensed bank	10,181	14,874
Short term deposits with a licensed bank	4,247	5,890
Cash and bank balances	1,674	6,972
	16,102	27,736

The unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

**COMPUGATES HOLDINGS BERHAD**  
**(Company No. 669287 - H)**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED 31 DECEMBER 2010**

	← Attributable to Owners of the Company →						Minority Interest RM'000	Total Equity RM'000	
	Note	Share Capital RM'000	Fair Value Reserve RM'000	Revaluation Reserve RM'000	Exchange Fluctuation Reserve RM'000	Accumulated Losses RM'000			Total RM'000
Balance as at 1 January 2009		213,429	-	-	186	(13,497)	200,118	11,132	211,250
Total comprehensive loss		-	-	883	(385)	(93,855)	(93,357)	322	(93,035)
Payment of dividends to minority shareholders		-	-	-	-	-	-	(8,377)	(8,377)
Net effect of changes in subsidiaries' interests		-	-	-	-	-	-	12	12
Balance as at 31 December 2009		<u>213,429</u>	<u>-</u>	<u>883</u>	<u>(199)</u>	<u>(107,352)</u>	<u>106,761</u>	<u>3,089</u>	<u>109,850</u>
Balance as at 1 January 2010, as previously stated		213,429	-	883	(199)	(107,352)	106,761	3,089	109,850
- effect of adopting FRS 139		<u>-</u>	<u>(460)</u>	<u>-</u>	<u>-</u>	<u>(3,025)</u>	<u>(3,485)</u>	<u>-</u>	<u>(3,485)</u>
Balance as at 1 January 2010, as restated		213,429	(460)	883	(199)	(110,377)	103,276	3,089	106,365
Issue of shares by a subsidiary to minority shareholders		-	-	-	-	-	-	12	12
Payment of dividends to minority shareholders		-	-	-	-	-	-	(528)	(528)
Total comprehensive loss		-	460	-	(4)	(11,870)	(11,414)	(1,210)	(12,624)
Balance as at 31 December 2010		<u>213,429</u>	<u>-</u>	<u>883</u>	<u>(203)</u>	<u>(122,247)</u>	<u>91,862</u>	<u>1,363</u>	<u>93,225</u>

The unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.