

**COMPUGATES HOLDINGS BERHAD**

(Company No. 669287 - H)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

The actual results of Compugates Holdings Berhad and its subsidiaries ("The Group") for the period ended 30 September 2014 are as follows:-

|   | NOTE | INDIVIDUAL PERIOD             |                                     | CUMULATIVE PERIOD       |                                     |
|---|------|-------------------------------|-------------------------------------|-------------------------|-------------------------------------|
|   |      | CURRENT YEAR<br>QUARTER ENDED | CORRESPONDING<br>QUARTER ENDED      | CURRENT YEAR<br>TO DATE | CORRESPONDING<br>PERIOD ENDED       |
|   |      | 30 SEPTEMBER 2014             | 30 SEPTEMBER 2013                   | 30 SEPTEMBER 2014       | 30 SEPTEMBER 2013                   |
|   |      | RM'000<br>(Unaudited)         | RM'000<br>(Unaudited)<br>(Restated) | RM'000<br>(Unaudited)   | RM'000<br>(Unaudited)<br>(Restated) |
| REVENUE*  |      | 28,670                        | 28,681                              | 94,517                  | 102,173                             |
| COST OF SALES*  |      | (27,141)                      | (26,340)                            | (89,426)                | (95,570)                            |
| GROSS PROFIT  |      | 1,529                         | 2,341                               | 5,091                   | 6,603                               |
| OTHER INCOME  |      | 2,063                         | 5,539                               | 5,042                   | 10,964                              |
| SALES AND MARKETING EXPENSES  |      | (181)                         | (184)                               | (642)                   | (625)                               |
| ADMINISTRATIVE EXPENSES   |      | (5,162)                       | (5,689)                             | (16,093)                | (15,854)                            |
| OTHER EXPENSES  |      | (473)                         | (593)                               | (1,923)                 | (1,740)                             |
| FINANCE COSTS   |      | (258)                         | (165)                               | (688)                   | (427)                               |
| (LOSS)/PROFIT BEFORE TAXATION   | 27   | (2,482)                       | 1,249                               | (9,213)                 | (1,079)                             |
| INCOME TAX EXPENSE  | 20   | 134                           | 4,905                               | (293)                   | 4,082                               |
| (LOSS)/PROFIT AFTER TAXATION  |      | (2,348)                       | 6,154                               | (9,506)                 | 3,003                               |
| OTHER COMPREHENSIVE INCOME/(LOSS)   |      |                               |                                     |                         |                                     |
| <b>Item never reclassified subsequently to profit or loss:</b>            |      |                               |                                     |                         |                                     |
| - Revaluation of properties   |      | -                             | -                                   | -                       | 47,429                              |
| Items that may be reclassified subsequently to profit or loss:            |      |                               |                                     |                         |                                     |
| - Changes in fair value reserve of available-for-sale investment          |      | 13                            | (13)                                | 21                      | (889)                               |
| - Transfer to profit or loss on disposal of available-for-sale investment |      | -                             | 17                                  | -                       | 889                                 |
| - Foreign currency translation  |      | (74)                          | (50)                                | (6)                     | (183)                               |
| Total other comprehensive income, net of tax                              |      | (61)                          | (46)                                | 15                      | 47,246                              |
| TOTAL COMPREHENSIVE INCOME/(LOSS)   |      | (2,409)                       | 6,108                               | (9,491)                 | 50,249                              |
| (LOSS)/PROFIT ATTRIBUTABLE TO:  |      |                               |                                     |                         |                                     |
| Owners of the Parent  |      | (1,809)                       | 5,370                               | (7,306)                 | 2,811                               |
| Non-controlling Interests   |      | (541)                         | 784                                 | (2,200)                 | 192                                 |
|   |      | (2,348)                       | 6,154                               | (9,506)                 | 3,003                               |
| TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:                        |      |                               |                                     |                         |                                     |
| Owners of the Parent  |      | (1,942)                       | 5,323                               | (7,557)                 | 37,389                              |
| Non-controlling Interests   |      | (467)                         | 785                                 | (1,934)                 | 12,860                              |
|   |      | (2,409)                       | 6,108                               | (9,491)                 | 50,249                              |
| (LOSS)/EARNING PER SHARE (SEN)  |      |                               |                                     |                         |                                     |
| Basic on ordinary shares of:  |      |                               |                                     |                         |                                     |
| - RM0.10 each   | 26   | (0.08)                        | 0.25                                | (0.34)                  | 0.13                                |
| Diluted   | 26   | (0.08)                        | 0.25                                | (0.34)                  | 0.13                                |

The unaudited Condensed Consolidated Statements of Profit or Loss And Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

**\* Effective from 1 March 2013, revenue of Cambodia subsidiary is recognised on net commission basis following new reseller agreement entered into by the subsidiary. The Group revenue and cost of sales for corresponding quarter and period ended 30 September 2013 has been restated accordingly. If revenue of Cambodia subsidiary was to be recognised on gross basis, the Group revenue for the corresponding quarter and period ended 30 September 2013 would have been RM32,925,000 and RM115,750,000 respectively.**

**COMPUGATES HOLDINGS BERHAD**  
**(Company No. 669287 - H)**  
**(Incorporated in Malaysia)**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2014**

|   | (Unaudited)   | (Audited)   |
|---|---|---|
|   | AS AT END OF<br>CURRENT YEAR<br>QUARTER<br>ENDED<br>30 SEPTEMBER 2014<br>RM'000 | AS AT<br>PRECEDING<br>FINANCIAL YEAR<br>ENDED<br>31 DECEMBER 2013<br>RM'000 |
| Note  |   |   |
| <b>ASSETS</b>                                       |   |   |
| <b>NON-CURRENT ASSETS</b>                           |   |   |
| Property and equipment                              | 73,300  | 73,807  |
| Available-for-sale investments                      | 67  | 46  |
| Plantation expenditure                              | 1,458   | 1,351   |
| Investment property                                 | 100,000   | 100,000   |
| Deferred tax asset                                  | 106   | 106   |
| Goodwill on consolidation                           | 23,991  | 23,991  |
|   | <u>198,922</u>  | <u>199,301</u>  |
| <b>CURRENT ASSETS</b>                               |   |   |
| Inventories   | 13,109  | 13,253  |
| Receivables   | 18,143  | 18,099  |
| Tax refundable                                      | -   | 313   |
| Cash and cash equivalents                           | 17,639  | 17,281  |
|   | <u>48,891</u>   | <u>48,946</u>   |
| Non-current assets held for sale                    | -   | 2,996   |
| <b>TOTAL ASSETS</b>                                 | <u>247,813</u>  | <u>251,243</u>  |
| <b>EQUITY AND LIABILITIES</b>                       |   |   |
| <b>EQUITY</b>                                       |   |   |
| Share capital                                       | 213,429   | 213,429   |
| Fair value reserve                                  | 21  | -   |
| Revaluation reserve                                 | 36,893  | 37,060  |
| Exchange fluctuation reserve                        | (567)   | (462)   |
| Premium on acquisition of non-controlling interests | (2,100)   | (2,100)   |
| Accumulated losses                                  | (102,120)   | (94,814)  |
| <b>Equity attributable to owners of the Parent</b>  | <u>145,556</u>  | <u>153,113</u>  |
| Non-controlling interests                           | 32,324  | 34,258  |
| <b>TOTAL EQUITY</b>                                 | <u>177,880</u>  | <u>187,371</u>  |
| <b>NON-CURRENT LIABILITIES</b>                      |   |   |
| Deferred tax liabilities                            | 20,341  | 20,482  |
| <b>CURRENT LIABILITIES</b>                          |   |   |
| Payables  | 32,082  | 27,927  |
| Amount owing to shareholders of subsidiaries        | 2,224   | 1,184   |
| Short-term borrowings                               | 14,019  | 12,626  |
| Provision for taxation                              | 1,267   | 1,653   |
|   | <u>49,592</u>   | <u>43,390</u>   |
| <b>TOTAL LIABILITIES</b>                            | <u>69,933</u>   | <u>63,872</u>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 | <u>247,813</u>  | <u>251,243</u>  |
| Net Assets per share (RM)                           |   |   |
| On ordinary shares of:                              |   |   |
| - RM0.10 each                                       | <u>0.07</u>   | <u>0.07</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 2013 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 STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

| Note                              | Attributable to Owners of the Company |                                 |                                  |  |  |                                 | Total<br>RM'000 | Non-controlling<br>Interests<br>RM'000 | Total<br>Equity<br>RM'000 |
|-----------------------------------|---------------------------------------|---------------------------------|----------------------------------|--|--|---------------------------------|-----------------|--|---------------------------|
|                                   | Share<br>Capital<br>RM'000            | Fair Value<br>Reserve<br>RM'000 | Revaluation<br>Reserve<br>RM'000 | Exchange<br>Fluctuation<br>Reserve<br>RM'000 | Premium on<br>Acquisition of<br>Non-controlling<br>Interests<br>RM'000 | Accumulated<br>Losses<br>RM'000 |                 |  |                           |
| Balance as at 1 January 2013      | 213,429                               | -                               | 883                              | (54)   | (2,100)  | (92,640)                        | 119,518         | 22,890                                 | 142,408                   |
| Total comprehensive income/(loss) | -                                     | -                               | 34,803                           | (225)  | -  | 2,811                           | 37,389          | 12,860                                 | 50,249                    |
| Balance as at 30 September 2013   | <u>213,429</u>                        | <u>-</u>                        | <u>35,686</u>                    | <u>(279)</u>                                 | <u>(2,100)</u>   | <u>(89,829)</u>                 | <u>156,907</u>  | <u>35,750</u>                          | <u>192,657</u>            |
| Balance as at 1 January 2014      | 213,429                               | -                               | 37,060                           | (462)  | (2,100)  | (94,814)                        | 153,113         | 34,258                                 | 187,371                   |
| Total comprehensive income/(loss) | -                                     | 21                              | (167)                            | (105)  | -  | (7,306)                         | (7,557)         | (1,934)                                | (9,491)                   |
| Balance as at 30 September 2014   | <u>213,429</u>                        | <u>21</u>                       | <u>36,893</u>                    | <u>(567)</u>                                 | <u>(2,100)</u>   | <u>(102,120)</u>                | <u>145,556</u>  | <u>32,324</u>                          | <u>177,880</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 2013 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 STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

|  | <b>CURRENT YEAR<br/>TO DATE<br/>30 SEPTEMBER 2014<br/>RM'000<br/>(Unaudited)</b> | <b>CORRESPONDING<br/>PERIOD ENDED<br/>30 SEPTEMBER 2013<br/>RM'000<br/>(Unaudited)<br/>Restated</b> |
|--|--|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                      |  |   |
| Loss before taxation   | (9,213)  | (1,079)   |
| Adjustments for:-  |  |   |
| Bad debts written off  | 24   | 1   |
| Depreciation of property and equipment   | 1,043  | 940   |
| Equipment written off  | 2  | 53  |
| Gain on disposal of non-current assets held for sale                             | (1,604)  | -   |
| Gain on disposal of property and equipment                                       | (28)   | (3,794)   |
| Impairment loss on   |  |   |
| - trade receivables  | 489  | 805   |
| - other receivables  | 7  | -   |
| Gain on disposal of available-for-sale investments                               | -  | (873)   |
| Unrealised gain on foreign exchange  | (2)  | (2)   |
| Write-back of impairment loss on trade receivables                               | (300)  | (518)   |
| Interest expense   | 688  | 378   |
| Interest income  | (365)  | (257)   |
| Operating loss before working capital changes                                    | (9,259)  | (4,346)   |
| Decrease in inventories  | 144  | 1,729   |
| Increase in receivables  | (265)  | (3,108)   |
| Increase/(Decrease) in payables  | 4,155  | (7,647)   |
| <b>Cash used in operations</b>   | (5,225)  | (13,372)  |
| Interest paid  | (688)  | (378)   |
| Income tax paid  | (818)  | (138)   |
| Income tax refunded  | 312  | -   |
| <b>NET CASH USED IN OPERATING ACTIVITIES</b>                                     | (6,419)  | (13,888)  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                      |  |   |
| Interest received  | 365  | 257   |
| Purchase of property and equipment   | (618)  | (395)   |
| Increase in plantation expenditure   | (107)  | (110)   |
| Placement of fixed deposit held as security                                      | (848)  | (181)   |
| Proceeds from disposal of available-for-sale investments                         | -  | 4,742   |
| Proceeds from disposal of non-current assets held for sale                       | 4,600  | -   |
| Proceeds from disposal of property and equipment                                 | 108  | 6,330   |
| <b>NET CASH FROM INVESTING ACTIVITIES</b>  | 3,500  | 10,643  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                      |  |   |
| Drawdown/(Repayment) of bankers' acceptances                                     | 1,393  | (3,210)   |
| Advances from shareholders of subsidiaries                                       | 1,040  | 545   |
| <b>NET CASH FROM/(USED IN) FINANCING ACTIVITIES</b>                              | 2,433  | (2,665)   |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>                                 | (486)  | (5,910)   |
| <b>EFFECTS OF FOREIGN EXCHANGE RATE CHANGES<br/>ON CASH AND CASH EQUIVALENTS</b> |  |   |
|  | (4)  | (197)   |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING<br/>OF THE FINANCIAL PERIOD</b>        | 5,984  | 10,898  |
| <b>CASH AND CASH EQUIVALENTS AT END<br/>OF THE FINANCIAL PERIOD</b>              | 5,494  | 4,791   |
| <b>NOTE:</b>   |  |   |
| Cash and cash equivalents comprise:  |  |   |
| Deposits placed with licensed banks  | 14,803   | 9,776   |
| Cash and bank balances   | 2,836  | 3,628   |
|  | 17,639   | 13,404  |
| Less : Fixed deposits pledged with licensed banks                                | (12,145)   | (8,613)   |
|  | 5,494  | 4,791   |

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 2013 and the accompanying explanatory notes attached to the interim financial statements.