



TRICUBES BERHAD (623442-M)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 3rd quarter ended 30 September 2005

CONDENSED CONSOLIDATED INCOME STATEMENT

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE 3rd QUARTER	
	CURRENT QUARTER ENDED 30 September 2005 (Amended) RM	PRECEDING PERIOD CORRESPONDING QUARTER 30 September 2004 RM	CURRENT YEAR TO DATE 30 September 2005 (Amended) RM	PRECEDING PERIOD CORRESPONDING QUARTER 30 September 2004 RM
Revenue	9,891,152	1,050,142	18,559,280	1,050,142
Cost of sales	(6,961,340)	(601,643)	(10,429,370)	(601,643)
Gross profit	2,929,812	448,499	8,129,910	448,499
Other income	14,696	5,423	79,092	5,423
Operating expenses	(2,985,257)	(679,289)	(7,953,882)	(679,289)
Profit/(Loss) from operations	(40,749)	(225,367)	255,120	(225,367)
Finance costs	(63,068)	(53,388)	(145,679)	(53,388)
Share of loss from associated company	(58,971)	(25,126)	(200,030)	(25,126)
Amortisation of goodwill	(250)	(250)	(1,750)	(250)
Profit/(Loss) before taxation	(163,038)	(304,131)	(92,339)	(304,131)
Taxation	-	-	-	-
Profit/(Loss) after taxation	(163,038)	(304,131)	(92,339)	(304,131)
Minority Interest	35,314	(29,357)	239,284	(29,357)
Profit/(Loss) after taxation and MI	(127,724)	(333,488)	146,945	(333,488)
Earnings/(Loss) Per Share (Sen)				
Basic	(0.10)	(0.008)	0.11	(0.008)
Diluted	NA	NA	NA	NA

Remarks:

Comparative figures for cumulative preceding year was based on operations for 6 months from July 2004 to 31 December 2004 as the Group came into existence only in July 2004. The corresponding EPS for the cumulative preceding year as at 31 December 2004 was based on a weighted average number of ordinary shares in issue of 40,185,673.

The amended results is after taking into account costs amounting to RM1,514,167 which was erroneously posted to project work in progress instead of cost of sales account. Please refer to Note A14 for details.



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CONDENSED CONSOLIDATED BALANCE SHEET

(The figures have not been audited)

	Unaudited 30 September 2005 (Amended) RM	Audited As at 31 December 2004 RM
NON CURRENT ASSETS		
Property, plant and equipment	2,432,114	1,560,731
Development expenditure	9,591,096	8,359,654
Investment in associated companies	260,071	300,101
Goodwill on consolidation	56,380	58,630
CURRENT ASSETS		
Inventories	1,703,644	4,605,309
Trade debtors	13,209,472	4,459,383
Other debtors, deposits and prepayments	3,593,019	996,507
Amount due from associated companies	1,475,378	2,509,131
Fixed deposits	3,195,735	10,769,691
Cash and bank balances	1,092,695	5,139,226
	<u>24,269,943</u>	<u>28,479,247</u>
CURRENT LIABILITIES		
Trade creditors	1,850,500	2,906,810
Other creditors and accruals	1,093,616	1,520,831
Short term borrowings	1,936,238	1,770,010
Bank overdraft	-	164,619
Taxation	34,415	22,300
Preference shares dividends payable	-	361,986
	<u>4,914,769</u>	<u>6,746,556</u>
NET CURRENT ASSETS	19,355,174	21,732,691
	<u>31,694,834</u>	<u>32,011,807</u>
CAPITAL AND RESERVES		
Share capital	13,400,000	13,400,000
Share premium	9,932,697	9,932,697
Accumulated profit/(loss)	(307,464)	(467,780)
Shareholders' funds	23,025,233	22,864,917
Reserve on consolidation	8,384,624	8,384,624
Minority Interest	-	250,506
Long term borrowings	284,977	511,760
	<u>31,694,834</u>	<u>32,011,807</u>
Net Asset Per Share (RM)	0.23	0.24

The amended results is after taking into account costs amounting to RM1,514,167 which was erroneously posted to project work in progress instead of cost of sales account. Please refer to Note A14 for details.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

	Share Capital RM	Non-Distributable Share Premium RM	Distributable Accumulated (loss)/profit RM	Total RM
3 months period ended 30 June 2005				
As at 1 April 2005	13,400,000	9,932,697	(453,495)	22,879,202
Net profit for the quarter period	-	-	273,755	273,755
As at 30 June 2005	<u>13,400,000</u>	<u>9,932,697</u>	<u>(179,740)</u>	<u>23,152,957</u>
3 months period ended 30 September 2005				
			(Amended)	
As at 1 July 2005	13,400,000	9,932,697	(179,740)	23,152,957
Net profit for the quarter period	-	-	(127,724)	(127,724)
As at 30 September 2005	<u>13,400,000</u>	<u>9,932,697</u>	<u>(307,464)</u>	<u>23,025,233</u>

The amended results is after taking into account costs amounting to RM1,514,167 which was erroneously posted to project work in progress instead of cost of sales account. Please refer to Note A14 for details.

Quarterly report on consolidated results for the 3rd quarter ended 30 September 2005

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

	CURRENT QUARTER ENDED 30 September 2005 RM	PRECEDING PERIOD CORRESPONDING QUARTER 30 September 2004 RM
Cash flows from/used in operating activities		
Cash receipt from customers	14,578,707	9,360,447
Cash paid to suppliers and employees	(16,613,457)	(2,755,388)
Cash flows (used in)/generated from operations	<u>(2,034,750)</u>	<u>6,605,059</u>
Interest paid	(63,068)	(297,107)
Interest income	14,696	130,917
Net cash (used in)/generated from operating activities	<u>(2,083,122)</u>	<u>6,438,869</u>
Cash flows from/used in investing activities		
Development expenditure	(560,906)	(1,516,488)
Proceeds from disposal of property, plant and equipment	-	192,846
Purchase of property, plant and equipment	(407,873)	(507,855)
Net cash (used in)/generated from investing activities	<u>(968,779)</u>	<u>(1,831,497)</u>
Cash flows from/used in financing activities		
Repayments of finance creditors	(1,096,449)	(379,360)
Repayments of term loan	-	(176,310)
Proceeds from finance creditors	1,869,402	-
Proceed/(Withdrawal) of Fixed Deposits	267,486	(589,080)
Acquisition of subsidiary companies	-	(1,439,423)
Proceeds from issuance of shares	-	2
Net cash (used in)/generated from operating activities	<u>1,040,439</u>	<u>(2,584,171)</u>
Net decrease in cash and cash equivalents	(2,011,462)	2,023,201
Cash and cash equivalents brought forward	<u>3,165,651</u>	<u>-</u>
Cash and cash equivalents carried forward	<u>1,154,189</u>	<u>2,023,201</u>

A NOTES TO THE INTERIM FINANCIAL REPORT**A1 Basis of preparation**

The interim financial report has been prepared in compliance with FRS 134, Interim Financial Reporting.

The financial statements of the Group and of the Company are prepared on the historical cost basis except as disclosed in the notes to this statement and in compliance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

The accounting policies and methods of computation adopted by the Group in this quarterly financial report are consistent with those adopted in the audited financial statements for the period ended 31 December 2004.

A2 Audit report of preceding annual financial statements

The preceding period's audited financial statements were 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 audited financial statements.

A5 Material changes in estimates

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

A6 Debt and equity securities

There were no repayment and issuance of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the period under review.

A7 Segmental information

There are no information on business segments and geographical segments presented as the Group is principally involved in information technology. During the current quarter under review, the Group traded only in Malaysia.

A8 Valuation of property, plant and equipment

There were no changes in the valuation of the property, plant and equipment reported in the previous audited financial statements that will have effect in the current financial quarter under review.

A9 Material events subsequent to the end of the quarter

There were no other material events subsequent to the current quarter under review.

A10 Changes in the composition of the Group

There were no changes in the composition of the Group reported in the previous audited financial statements that will have an effect in the current financial quarter under review.

A11 Contingent liabilities

On 18 May 2004, the Inland Revenue Board (IRB) had rejected the application by a subsidiary company for the tax claims RM1.8 million on double deduction on Research and Development Expenditure under Section 34A of the Income Tax Act, 1967. However, the subsidiary company has filed an appeal to the Inland Revenue Board. The Directors of the subsidiary company are of the opinion that the subsidiary company qualifies for the claims and the appeal will be successful. Hence, no additional tax liabilities are being provided.

A NOTES TO THE INTERIM FINANCIAL REPORT (Cont'd)

A12 Significant related party transactions

The significant related parties transactions are as follows:-

	Individual Current quarter ended 30 September 2005	Cumulative Current year to date 30 September 2005
	RM	
Sales between:		
- Tricubes Computers Sdn. Bhd. and TricubesNCR JV Sdn. Bhd.	8,632,912	14,382,068
- Tricubes Computers Sdn. Bhd. and Tricubes Global Sdn. Bhd.	-	55,766
- TricubesNCR JV Sdn. Bhd. and GMPC Corporation Sdn. Bhd.	955,518	4,672,371
- TricubesNCR JV Sdn. Bhd. and Heitech Padu Berhad.	-	103,220
- Tricubes Consulting Sdn. Bhd. and Tricubes Suria Sdn. Bhd.	1,530,690	2,792,353

Intercompany transactions have been eliminated on consolidation level.

	CURRENT QUARTER ENDED 30 September 2005	Audited As at 31 December 2004
	RM	RM
Trade receivables balances between:		
- TricubesNCR JV Sdn. Bhd. and GMPC Corporation Sdn. Bhd.	1,666,559	1,643,392
- TricubesNCR JV Sdn. Bhd. and Heitech Padu Berhad.	509,920	554,100
- Tricubes Consulting Sdn. Bhd. and Tricubes Suria Sdn. Bhd.	2,946,329	1,068,884

A13 Cash and cash equivalents

	CURRENT QUARTER ENDED 30 September 2005	PRECEDING PERIOD CORRESPONDING QUARTER 30 September 2004
	RM	RM
Fixed deposits	3,195,735	2,213,497
Cash and bank balances (Net of Overdraft Balances)	454,189	2,023,201
	3,649,924	4,236,698
Less: Fixed deposits pledged to licensed bank	(2,495,735)	(2,213,497)
	1,154,189	2,023,201

A14 Amendment to the current financial quarter report

The details of the amendment to the current quarter results are as follows:

	Reported RM	Adjustment RM	Amended RM
Revenue	9,891,152		9,891,152
Cost Of Sales	(5,447,173)	(1,514,167)	(6,961,340)
Gross Profit	4,443,979		2,929,812
Operating Expenses & Other Income	(2,970,561)		(2,970,561)
Profit/(Loss) from operations	1,473,418		(40,749)
Finance cost, associate loss & goodwill	(122,289)		(122,289)
Profit/(Loss) before taxation	1,351,129		(163,038)
Taxation and Minority Interest	35,314		35,314
Profit/(Loss) after taxation and MI	1,386,443		(127,724)

During the financial quarter 30th September 2005, the revenue to Tricubes Suria Sdn. Bhd. has been recognised in Tricubes Group's record for RM1,514,999, which comprised of sales on hardware, professional services and module development. The adjustment of RM1,514,167 is to recognised the relevant cost of sales which was erroneously posted into project work in progress account.

The loss is due to low gross margin for system integration and 3rd party solution during the quarter, which is insufficient to cover the operating expenses.

Quarterly report on consolidated results for the 3rd quarter ended 30 September 2005

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

B1 Review of performance

For the current financial quarter, the Group recorded a loss before taxation of RM163,038 on a revenue of RM9,891,152.

B2 Variation of results against preceding quarter

There were no major variance against the preceding quarter.

B3 Prospects

Barring unforeseen circumstances, the Directors believe that the Group's prospects for the next financial quarter of 2005 is expected to improve compared to the current quarter.

B4 Profit forecast and profit guarantee

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

B5 Taxation

No other provision for income tax has been made as two of its operating subsidiary companies are MSC Status Companies.

B6 Unquoted investments and properties

There were no changes in the unquoted investments and properties of the Group during the current financial quarter.

B7 Quoted securities

There were no acquisitions and disposals of quoted securities during the financial quarter ended 30 September 2005.

B8 Group's borrowings and debt securities

	RM
(a) Unsecured:- Short term borrowings:-	1,936,238
(b) Unsecured:- Long term borrowings:-	284,977

All borrowings are denominated in Ringgit Malaysia.

B9 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.

B10 Material litigation

There were no material litigations pending as at the date of this announcement.

B11 Dividends

No dividends have been declared in respect of the financial period under review.

B12 Utilisation of proceeds from IPO

As of 30 September 2005, approximately RM11.7 million of the total proceeds of RM15.05 million from the listing exercise on 15 December 2004 have been utilised for repayment of bank borrowings, listing expenses, payment to suppliers, research and development, capital expenditure and working capital purposes.

B13 Earnings per share (sen)

The basic earnings per share for the quarter ended 30 September 2005 is calculated based on the Group's net profit attributable to ordinary

	Individual	Cumulative
	Current quarter ended 30 September 2005	Current year to date 30 September 2005
	(Amended)	
	RM	RM
Net profit for the financial period	(127,724)	146,945
Number of ordinary shares in issue	134,000,000	134,000,000
Basic earnings per share (sen)	(0.10)	0.11

There are no potential dilution effects on ordinary shares of the Company. Hence, the diluted earnings per share is equivalent to the basic earnings per share.