

MOL.COM BERHAD

(Company No. 90314-P)

Date : 21-Nov-06

Subject : **UNAUDITED INTERIM FINANCIAL REPORT FOR THE
PERIOD ENDED 30 SEPTEMBER 2006**

<u>Table of Contents</u>	Page
Condensed Consolidated Balance Sheet	1
Condensed Consolidated Income Statement	2
Condensed Consolidated Statement of Changes in Equity	3
Condensed Consolidated Cashflow Statement	4
Notes to Interim Financial Report	5 - 6
Additional Information Required by Listing Requirements	7-11

MOL.COM BERHAD

(Company No. 90314-P)

CONDENSED CONSOLIDATED BALANCE SHEET - 30 SEPTEMBER 2006

	AS AT END OF CURRENT QUARTER 30-Sep-06 RM'000 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR END 30-Jun-06 RM'000 (Audited)
Non Current Assets		
Property, plant and equipment	21,580	22,080
Investment in Associated Companies	13,059	13,308
Other Investments	634	634
Deferred Tax Assets	126	126
Intangibles Assets	2,303	826
	<u>37,702</u>	<u>36,974</u>
Current Assets		
Inventories	6,770	6,914
Trade Receivables	15,667	16,277
Other Receivables and Prepayments	11,533	9,258
Cash and Bank Balances	3,324	2,296
	<u>37,294</u>	<u>34,745</u>
TOTAL ASSETS	<u>74,996</u>	<u>71,719</u>
Equity		
Share Capital	225,757	225,757
Reserve	(217,996)	(224,143)
Equity attributable to equity holders of the parent	7,761	1,614
Minority Interests	129	125
Total equity	<u>7,890</u>	<u>1,739</u>
Non Current Liabilities		
Hire Purchase and Lease Creditors	184	202
Term Loans	13,012	13,660
Deferred Tax Liabilities	445	445
Reserve on consolidation (net)	-	6,221
Advance from a substantial shareholder	10,406	8,406
	<u>24,047</u>	<u>28,934</u>
Current Liabilities		
Short Term borrowings	15,883	15,455
Trade Payables	6,547	6,142
Other Payables and Accruals	20,617	19,437
Taxation	12	12
	<u>43,059</u>	<u>41,046</u>
TOTAL EQUITY AND LIABILITIES	<u>74,996</u>	<u>71,719</u>
Net Assets per share attributable to ordinary equity holders of the parent (sen)	3.44	0.71

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Audited Financial Statements as at 30 June 2006.

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2006**

[The figures have not been audited]

	CURRENT QUARTER		PERIOD ENDED	
	30/9/2006 RM'000	30/9/2005 RM'000	30/9/2006 RM'000	30/9/2005 RM'000
1 (a) Revenue	13,013	10,126	13,013	10,126
(b) Operating Expenses, net	<u>(13,778)</u>	<u>(10,972)</u>	<u>(13,778)</u>	<u>(10,972)</u>
(c) Loss from Operations	(765)	(846)	(765)	(846)
(d) Results arising from investing activities	-	324	-	324
(e) Finance Cost	(607)	(736)	(607)	(736)
(f) Share of (Loss)/Profit of Associated companies	<u>(159)</u>	<u>354</u>	<u>(159)</u>	<u>354</u>
(g) Loss before taxation	(1,531)	(904)	(1,531)	(904)
(h) Income Tax				
-Company & Subsidiary	-	(1)	-	(1)
-Associates	<u>(89)</u>	<u>(95)</u>	<u>(89)</u>	<u>(95)</u>
	<u>(89)</u>	<u>(96)</u>	<u>(89)</u>	<u>(96)</u>
(i) Loss after taxation	<u>(1,620)</u>	<u>(1,000)</u>	<u>(1,620)</u>	<u>(1,000)</u>
Attributable to:				
-Equity holders of the parent	(1,624)	(1,000)	(1,624)	(1,000)
-Minority Interest	4	-	4	-
	<u>(1,620)</u>	<u>(1,000)</u>	<u>(1,620)</u>	<u>(1,000)</u>
2 (a) Earning per share attributable to shareholders of the parent				
(i) Basic -Sen	(0.72)	(0.44)	(0.72)	(0.44)
(ii) Diluted -Sen	(0.72)	(0.44)	(0.72)	(0.44)
Weighted Average No of Ordinary shares ['000]	225,757	225,757	225,757	225,757

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements as at 30 June 2006.

MOL.COM BERHAD

(Company No. 90314-P)

**Condensed Consolidated Statement of Changes in Equity
For the period ended 30 September 2006**

[The figures have not been audited]

	Share capital RM'000	Non Distributable Reserve RM'000	Distributable Retained Earnings RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
Period ended 30 September 2006						
At 1 July 2006	225,757	44,667	(268,810)	1,614	125	1,739
Effect of adoption FRS3			7,772	7,772		7,772
	<u>225,757</u>	<u>44,667</u>	<u>(261,038)</u>	<u>9,386</u>	<u>125</u>	<u>9,511</u>
Net loss for the period	-	-	(1,624)	(1,624)	4	(1,620)
Currency translation differences	-	(1)	-	(1)	-	(1)
At 30 September 2006	<u>225,757</u>	<u>44,666</u>	<u>(262,662)</u>	<u>7,761</u>	<u>129</u>	<u>7,890</u>
Period ended 30 September 2005						
At 1 July 2005	225,757	49,902	(253,398)	22,261	124	22,385
Net loss for the period	-	-	(1,000)	(1,000)	-	(1,000)
Currency translation differences	-	(28)	-	(28)	-	(28)
At 30 September 2005	<u>225,757</u>	<u>49,874</u>	<u>(254,398)</u>	<u>21,233</u>	<u>124</u>	<u>21,357</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements as at 30 June 2006.

MOL.COM BERHAD

(Company No. 90314-P)

Condensed Consolidated Cashflow Statement for the period ended 30 September 2006

[The figures have not been audited]

	Three (3) Months Ended	
	30-Sep-06	30-Sep-05
	RM'000	RM'000
Net Loss before tax	(1,531)	(904)
Adjustment for non-cash flows:-		
Non-cash items	(1,253)	(468)
Non-operating items	695	381
Operating loss before changes in working capital	(2,089)	(991)
Changes in working capital		
Net changes in current assets	1,984	594
Net changes in current liabilities	1,601	128
Net cashflows from/(used) in operating activities	1,496	(269)
Investing Activities		
Equity Investments	-	(51)
Other Investments	307	(199)
Net cash from/(used) in investing activities	307	(250)
Financing Activities		
Bank borrowings	(1,258)	645
Net cash (used)/from in financing activities	(1,258)	645
Net change in cash & cash equivalents	545	126
Cash & Cash equivalent at beginning of the financial period	1,174	371
Cash & Cash equivalent at end of the financial period	1,719	497
Cash & Cash Equivalents comprise of:-		
Cash in hand and at bank	3,203	1,508
Deposits with licensed banks	121	21
Bank overdrafts	(1,534)	(1,032)
	1,790	497

The Condensed Consolidated Cashflow Statement should be read in conjunction with the Annual Audited Financial Statements as at 30 June 2006.

A. NOTES TO THE INTERIM FINANCIAL REPORT

A1) BASIS OF ACCOUNTING

The interim financial report has been prepared in accordance with Financial Reporting Standard (FRS) 134 "Interim Financial Reporting" and Chapter 9 Part K of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial report should be read in conjunction with the audited financial statements for the year ended 30 June 2006.

The same accounting policies and methods of computation used in the preparation of the Group's Annual Audited Financial Report for the financial year ended 30 June 2006 have been applied in the preparation of the Interim Financial Report for the current quarter and financial year to date except for changes arising from the adoption of new/revised FRSs which came into force for the financial year beginning on or after 1 January 2006.

The principal effect of the changes in accounting policies resulting from the adoption of the new/revised FRSs are summarised as follows:

(a) FRS 3 : Business Combinations

On adoption of FRS 3, after reassessment, any excess of the Group's interest in the fair value of acquired identifiable assets, liabilities and contingent liabilities over the cost of acquisition (previously referred to as "negative goodwill"), should be recognised immediately in the consolidated income statements. Previously, negative goodwill was classified as intangibles. The revision was accounted for as a prospective adjustment to the opening balance of retained earnings as disclosed in the consolidated statement of changes in equity.

(b) FRS 101 : Presentation of Financial Statements

The adoption of FRS 101 has no financial impact on the Group but affected the presentation of minority interests and certain disclosures. Minority interests is now presented within total equity in the Consolidated Balance Sheet and as an allocation from net profit for the period in the Consolidated Income Statement. The movement of minority interests is now presented in the Consolidated Statement of Changes in Equity.

A2) ANNUAL AUDITED STATEMENT

There was no qualification to the Annual Audited Financial Statements as at 30 June 2006. However, the auditors drew the attention on the ability of the Group and of the Company to continue as a going concern in view of the current liabilities exceeding its current assets by RM6.3 million. The ability of the Group and of the Company to continue as a going concern is dependent upon the successful outcome of the proposed disposal of a property and the Group's plan to regularise its financial condition, continuing financial support from a significant shareholder and financial institutions as well as achieving successful future operations.

A3) SEASONAL OR CYCLICAL FACTORS

The Group's businesses are generally dependent on the economic conditions, in particular, the Electrical Products division which is involved in trading of a range of electrical equipment and apparatus where the demand for these products is dependent on the manufacturing and construction industries.

A4) UNUSUAL ITEM

There is no unusual item during the quarter under review.

A5) CHANGES TO PRECEDING PERIOD

There has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operation of the Company and the Group in the current interim quarter.

A6) DETAILS OF ISSUANCE OR REPAYMENT OF DEBTS AND EQUITY

There were no issuance and repayment of debts and equity securities, share buy-backs, share cancellations or shares held as treasury shares and resale of treasury shares for the current quarter and current financial year to date under review.

A7) DIVIDEND PAID

There were no payment of dividends for the current quarter under review.

A8) SEGMENTAL INFORMATION

Analysis of the Group's results by activity for the current period is as follows:-

	Period Ended	
	30/9/2006	30/9/2005
	RM'000	RM'000
Segment Revenue		
Revenue from continuing operations:		
Electrical products	6,217	6,979
Informations technology and internet related business ("ICT")	6,806	3,236
Investment and others	-	-
Total revenue including inter-segment sales	13,023	10,215
Elimination	10	89
Total revenue	<u>13,013</u>	<u>10,126</u>
Segment Results		
Results from continuing operations		
Electrical products	(717)	(394)
Informations technology and internet related business ("ICT")	347	6
Investment and others	(395)	(458)
	<u>(765)</u>	<u>(846)</u>
Elimination	-	-
	<u>(765)</u>	<u>(846)</u>
Others	-	324
Finance Costs	(607)	(736)
Share of results of associates	(159)	354
Loss before taxation	(1,531)	(904)
Taxation	(89)	(96)
Loss after taxation	<u>(1,620)</u>	<u>(1,000)</u>

A9) VALUATION OF PROPERTY, PLANT & EQUIPMENT

There were no changes as to the valuation of property, plant and equipment brought forward from the last financial year.

A10) SUBSEQUENT MATERIAL EVENT

In the opinion of the Directors, there has not arisen in the period between the end of this quarter and as at 17 November 2006, any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operation of the Company and the Group for the current quarter ended 30 September 2006 in respect of which this announcement is made.

A11) CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the group structure during the period under review.

A12) CONTINGENT LIABILITIES

There were no changes as to the Contingent Liabilities during the current quarter and current financial year to date.

A13) CAPITAL COMMITMENT

There were no changes as to the Capital Commitment during the current quarter and current financial year to date.

B . ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1) REVIEW OF PERFORMANCE

The Group registered a pre-tax loss of RM1.53 million on a turnover of RM13.01 million for the quarter under review as compared to a pre-tax loss of RM904,277 on a turnover of RM10.13 million in the preceding year corresponding quarter. The pre-tax loss for the current quarter was mainly attributable to intense competition and inadequate trade facilities in the Industrial Products Division as well as a decline in profits from associated companies.

B2) COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group recorded a pre-tax loss of RM1.53 million on a turnover of RM13.01 million compared to a pre-tax loss of RM10.57 million on a turnover of RM12.40 million in the preceding quarter. The higher pre-tax loss in previous quarter was mainly attributable to provision for impairment of investments totalling RM6.49 million, additional provision for receivables, obsolete and slow moving stock as well as stiff competition.

B3) CURRENT FINANCIAL YEAR PROSPECTS

The Company has on 13 November 2006 entered into a Memorandum of Understanding with TAMCO Corporate Holdings Berhad ("TAMCO") to jointly undertake a proposed new business plan for the conduct of the Company's Industrial Products business activities. Together with the Regularisation Plan which is being finalised, the Board is optimistic that the Group will be placed on a better financial position.

B4) VARIANCE OF FORECAST

This is not applicable to the Group.

B5) TAXATION

	Current Quarter RM'000	Cummulative Current Year RM'000
Income tax		
-Current Year	-	-
-Associated Company	(89)	(89)
	<u>(89)</u>	<u>(89)</u>

Due to absence of Group tax relief and despite the Group being in tax loss position, the provision for taxation has been made based on profit of certain subsidiary companies.

B6) SALE OF UNQUOTED INVESTMENT AND PROPERTIES

There has not been any sale of shares and property for current financial year to date.

B7) QUOTED SECURITIES

- a) There was no purchase or disposal of quoted securities in Malaysia as at 30 September 2006.
- b) The Group 39.26% associated company, MOL AccessPortal Berhad, is listed on the MESDAQ Market of Bursa Securities.

Details of its cost and market value are as follows:

	At the end of current quarter
	RM
(i) At cost	<u>1.00</u>
(ii) At market value	<u>7,458,412</u>

B8) STATUS OF CORPORATE PROPOSALS

- i) On 14 November 2006, the Company announced that it has entered into a Memorandum of Understanding with TAMCO Corporate Holdings Berhad ("TAMCO") to establish a formal relationship to jointly undertake a proposed new business plan for the conduct of the Company's Industrial Products Business via a proposed 49% equity participation by TAMCO in Lim Kim Hai Electric (Malaysia) Sdn Bhd and its group of companies.
- ii) On 2 October 2006 in relation to the Sale and Purchase Agreement entered into between LKH Wires & Cables Sdn Bhd, a wholly owned subsidiary of MOL and Halex Woolton (M) Sdn Bhd for the disposal of a piece of freehold industrial land held under Geran Mukim 826, Lot 142 Mukim of Plentong, District of Johor Bharu, Johor measuring approximately 11.28 acres together with building erected thereon ("Plentong Property") for a cash consideration of RM10.111 million ("Plentong Property Disposal"). The Plentong Property is presently charged to a financial institution ("Chargor") as part of the collateral of securities pledged for a term loan. The Plentong Property Disposal is still pending completion.
- iii) On 8 May 2006, the Company announced that it is an Affected Listed Issuer as defined in Practice Note (PN) 17/2005 of the Listing Requirement. The Company is required to submit a Regularisation Plan for approval by the relevant authority within 8 months from the aforesaid 1st Announcement. The Company is currently working on a comprehensive plan within the ambit of Section 32 of the Securities Commission Act 1993 to regularise its financial condition. The Company is currently working with its adviser to finalise the Regularisation Plan and the requisite announcement is expected to be released soon.
- iv) On 13 April 2005, the Company announced that its wholly owned subsidiary, MTurf Media Sdn Bhd agreed to invest up to 51% equity stake in OMG Media (M) Sdn Bhd ("OMG") which involved the proposed acquisition of one (1) existing ordinary share of RM1.00 each in OMG for RM1.00 ("Proposed Acquisition") and proposed subscription of 50,999 new ordinary shares of RM1.00 each in OMG for a cash consideration of RM50,999 ("Proposed Subscription"). The Proposed Subscription was completed on 1 August 2005 whilst the Proposed Acquisition was subsequently completed on 2 October 2006.

B9) GROUP BORROWINGS FROM FINANCIAL INSTITUTIONS

Group borrowings as at 30 September 2006 are as follows:-

	Short term borrowings RM'000	Long term borrowings RM'000	HP creditors RM'000	Total borrowings RM'000
Secured	13,542	12,870	261	26,673
Unsecured	<u>2,264</u>	<u>142</u>	-	<u>2,406</u>
Total	<u>15,806</u>	<u>13,012</u>	<u>261</u>	<u>29,079</u>

B10) FINANCIAL INSTRUMENTS WITH OFF BALANCE SHEET RISK

There were no financial instruments with off Balance Sheet risk as at 17 November 2006.

B11) MATERIAL LITIGATION

Save as disclosed below, the MOL Group is not engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the MOL Group or of any facts likely to give rise to any proceedings which might materially affect the position or business of the MOL Group.

- a) Pursuant to a Share Sale Agreement and a Promissory Note both dated 28 March 2002, Steel Circle Industries Sdn Bhd ("SCI") (formerly known as Dijaya Metal Industries Sdn Bhd) has agreed to pay MOL a sum of RM1,206,936.00 in twelve (12) monthly installments of RM100,578.00 each month commencing 28 April 2002. SCI has failed to make any payment to MOL since the second installment which was due on 28 May 2002, despite many timely reminders from MOL and as such, is in breach of the provisions of the said Share Sale Agreement and the Promissory Note. MOL is currently claiming the entire outstanding balance sum of RM1,005,780.00 from SCI pursuant to Clause 12.1 (a)(11) of the Share Sale Agreement. In a separate Guarantee and Indemnity Agreement dated 28 March 2002 entered into between Tan Poh Chuan (i.e. the Guarantor) and MOL (i.e. the Guarantee), the Guarantor has unconditionally and irrevocably guaranteed to pay MOL all indebtedness due from SCI to MOL pursuant to the aforesaid Share Sale Agreement and the Promissory Note. The matter has been postponed and now fixed for hearing on 28 November 2006.

- b) The Company has on 29 January 2004 received a Writ and Statement of Claim filed by T-Cert, Inc ("Plaintiff") under the High Court of Kuala Lumpur with Civil Suit No. S6-22-2006-2003. The amount claimed is USD1.0 million (equivalent to RM3.8 million) with interest on the USD1.0 million pursuant to Section 11 of the Civil Law Act 1956 and general damages for breach of agreement/promissory note ("the Suit"). The circumstances leading to the filing the Suit was purportedly premised on a Secured Promissory Note dated 15 September 2000 given by the Company to the Plaintiff pursuant to the Stock Subscription Agreement and Investment Letter dated 15 September 2000 in relation to the proposed subscription by MOL for 80,000 ordinary shares in Plaintiff for a total consideration of USD1.5 million ("Proposed Subscription"). Details of the Proposed Subscription was announced to the Bursa Securities on 20 September 2000. MOL has invested USD700,000 in the Plaintiff. MOL has instructed its solicitors to file its defence and apply to strike out the Suit. MOL also intends to pursue a counter-claim against the Plaintiff for the return of the USD700,000 invested in them. As at to-date, the Court has directed both parties to file written submissions and has fixed for further hearing on 16 January 2006. The matter is now fixed for hearing on 21 November 2006.

- c) Prosperitet Sarajevo (M) Sdn Bhd ("Sarajevo") has on 6 February 2003 filed a writ of summons against the Company under the Kuala Lumpur High Court Suit No. S2-22-129-03 for payment of an alleged principal sum of RM8,545,490.41 with damages to be assessed including interest on the judgement sum from the date of writ of summons till date of realisation and costs in respect of two separate contracts both entered into and executed between Sarajevo and Lim Kim Hai Electric (Malaysia) Sdn Bhd. Defence has been filed to deny and dispute liability in respect of Sarajevo's claim. As at to-date, the parties were requested by the Court to file their written submissions and the matter was fixed for decision on 19 December 2005. On 19 December 2005, the Court has dismissed the Plaintiff's Summon In Chambers for amendment. On 22 December 2005, the plaintiff filed an appeal and the Court has yet to fixed a date for hearing.

B12) DIVIDENDS

The Board of Directors does not recommend the payment of any dividend for the current quarter under review. (Previous corresponding quarter: NIL)

B13) EARNINGS PER SHARE

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
		CURRENT QUARTER 30/9/2006	PRECEDING YEAR CORRESPONDING QUARTER 30/9/2005	CURRENT YEAR TO DATE 30/9/2006	PRECEDING YEAR CORRESPONDING PERIOD 30/9/2005	
a)	Basic earnings per share					
	Net Loss for the period	(RM'000)	(1,624)	(1,000)	(1,624)	(1,000)
	Weighted Average Number of Ordinary Shares in issue	('000)	225,757	225,757	225,757	225,757
	Basic Loss per Share	(Sen)	(0.72)	(0.44)	(0.72)	(0.44)
b)	Diluted earnings per share					
	Net Loss for the period	(RM'000)	(1,624)	(1,000)	(1,624)	(1,000)
	Weighted Average Number of Ordinary Shares in issue	('000)	225,757	225,757	225,757	225,757
	Adjusted for Share Options	('000)	-	-	-	-
	Weighted Average Number of Ordinary Shares for diluted earnings per share	('000)	<u>225,757</u>	<u>225,757</u>	<u>225,757</u>	<u>225,757</u>
	Diluted Loss per Share	(Sen)	(0.72)	(0.44)	(0.72)	(0.44)

c.c. Securities Commission