

QUARTERLY REPORT

On consolidated results for the second quarter ended 30 June 2007

The Directors are pleased to announce the following:

Unaudited Condensed Consolidated Income Statement for the half year ended 30 June 2007

	Note	Individual Quarter ended		Cumulative Quarter ended	
		30.06.2007	30.06.2006	30.06.2007	30.06.2006
		RM'000	RM'000	RM'000	RM'000
			(restated)		(restated)
Continuing Operations					
Revenue	A9	44,691	26,380	77,205	49,046
Cost of sales/services provided		(32,849)	(16,067)	(52,529)	(29,590)
Gross profit		<u>11,842</u>	<u>10,313</u>	<u>24,676</u>	<u>19,456</u>
Other income		712	25	1,185	1,231
Selling and distribution expenses		(140)	(91)	(286)	(135)
Administration expenses		(5,922)	(7,015)	(13,770)	(13,919)
Other expenses		(2,579)	(1,932)	(4,765)	(3,353)
Profit from operations		<u>3,913</u>	<u>1,300</u>	<u>7,040</u>	<u>3,280</u>
Finance costs		(888)	(1,032)	(1,972)	(1,716)
Profit before taxation	A9	<u>3,025</u>	<u>268</u>	<u>5,068</u>	<u>1,564</u>
Taxation	B5	<u>1,285</u>	<u>(225)</u>	<u>665</u>	<u>(668)</u>
Profit for the period from continuing operations		<u>4,310</u>	<u>43</u>	<u>5,733</u>	<u>896</u>
Discontinued Operations					
Profit for the period from discontinued operations	A14	<u>83</u>	<u>2,997</u>	<u>(453)</u>	<u>4,929</u>
Profit for the period		<u><u>4,393</u></u>	<u><u>3,040</u></u>	<u><u>5,280</u></u>	<u><u>5,825</u></u>
Attributable to:					
Equity holders of the Company		3,796	3,005	4,287	5,715
Minority interests		597	35	993	110
		<u><u>4,393</u></u>	<u><u>3,040</u></u>	<u><u>5,280</u></u>	<u><u>5,825</u></u>
Earnings per share attributable to equity holders of the Company (sen):					
- Basic, for profit from continuing operations	B13	0.56	0.00	0.72	0.12
- Basic, for profit from discontinued operations	B13	0.01	0.45	(0.07)	0.75
- Basic, for profit for the period	B13	<u>0.57</u>	<u>0.45</u>	<u>0.65</u>	<u>0.87</u>
- Diluted, for profit from continuing operations	B13	0.56	0.00	0.72	0.12
- Diluted, for profit from discontinued operations	B13	0.01	0.45	(0.07)	0.75
- Diluted, for profit for the period	B13	<u>0.57</u>	<u>0.45</u>	<u>0.65</u>	<u>0.87</u>

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the annual audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

Unaudited Condensed Consolidated Balance Sheet

	Note	Unaudited 30.06.2007 RM'000	Audited 31.12.2006 RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment	A10	34,312	37,451
Investment property		-	6,130
Other investment		1,234	1,234
Other intangible assets		5,025	8,095
Goodwill		104,508	105,705
Deferred taxation		951	1,709
		146,030	160,324
Current assets			
Inventories		287	2,401
Trade and other receivables		54,995	124,883
Due from contract customers		-	36,064
Tax recoverable		9,087	10,658
Marketable securities		15	10
Cash and bank balances		64,423	55,866
		128,807	229,882
Assets of disposal group classified as held for sale	A14	68,391	-
		197,198	229,882
TOTAL ASSETS		343,228	390,206
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		66,000	66,000
Reserves		153,262	160,708
		219,262	226,708
Minority interests		15,435	14,878
Total equity		234,697	241,586
Non-current liabilities			
Borrowings	B9	36,624	29,717
Deferred taxation		61	331
		36,685	30,048
Current liabilities			
Trade and other payables		26,031	58,809
Borrowings	B9	10,550	58,259
Taxation		1,874	1,504
		38,455	118,572
Liabilities directly associated with the assets classified as held for sale	A14	33,391	-
		71,846	118,572
Total liabilities		108,531	148,620
TOTAL EQUITY AND LIABILITIES		343,228	390,206
		RM	RM
Net assets per share attributable to ordinary equity holders of the Company		0.33	0.34

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the annual audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

Unaudited Condensed Consolidated Statement of Changes in Equity for the half year ended 30 June 2007

Group	Note	Attributable to shareholders of the Company						Distributable		Minority interests RM'000	Total equity RM'000
		Share Capital RM'000	Share premium RM'000	Translation reserve RM'000	Warrant reserve RM'000	Share option reserve RM'000	Other reserve RM'000	Retained profits RM'000	Total RM'000		
At 1 January 2006		66,000	61,777	81	560	123	-	40,270	168,811	14,247	183,058
Foreign currency translation, representing net expense recognised directly in equity		-	-	(93)	-	-	-	-	(93)	(40)	(133)
Net profit for the period		-	-	-	-	-	-	5,715	5,715	110	5,825
Share-based payment under ESOS		-	-	-	-	58	-	-	58	-	58
Dividends		-	-	-	-	-	-	(7,160)	(7,160)	-	(7,160)
At 30 June 2006		66,000	61,777	(12)	560	181	-	38,825	167,331	14,317	181,648
At 1 January 2007		66,000	61,777	(508)	560	177	63,476	35,226	226,708	14,878	241,586
Foreign currency translation, representing net expense recognised directly in equity		-	-	(157)	-	-	-	-	(157)	-	(157)
Additional investment in a subsidiary		-	-	-	-	-	-	-	-	(436)	(436)
Net profit for the period		-	-	-	-	-	-	4,287	4,287	993	5,280
Effect of disposal group		-	-	-	-	-	(4,441)	-	(4,441)	-	(4,441)
Dividends		-	-	-	-	-	-	(7,135)	(7,135)	-	(7,135)
At 30 June 2007		66,000	61,777	(665)	560	177	59,035	32,378	219,262	15,435	234,697

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

Unaudited Condensed Consolidated Cash Flow Statement for the half year ended 30 June 2007

	Period ended 30.06.2007 RM'000	Period ended 30.06.2006 RM'000
Net cash generated from operating activities	23,273	6,152
Net cash generated from/(used in) investing activities	44,873	(4,920)
Net cash used in financing activities	<u>(39,845)</u>	<u>(3,028)</u>
Net increase/(decrease) in cash and cash equivalents	28,301	(1,796)
Effects of exchange rate changes	(151)	(154)
Cash and cash equivalents at beginning of financial period	53,529	35,263
Cash and cash equivalents at end of financial period*	<u>81,679</u>	<u>33,313</u>

***Cash and cash equivalents at the end of the financial period comprise the following:**

Cash and bank balances	64,423	37,093
Bank overdrafts (included within short term borrowings)	(3,228)	(1,763)
Deposits pledged for bank guarantees	<u>(596)</u>	<u>(2,017)</u>
	60,599	33,313
Cash and bank balances classified as held for sale	<u>21,080</u>	<u>-</u>
Total cash and cash equivalents	<u>81,679</u>	<u>33,313</u>

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the annual audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

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Notes on the quarterly report - 30 June 2007

A. EXPLANATORY NOTES AS PER FRS STANDARD NO. 134

A1. Basis of preparation

The interim financial statements have been prepared under the historical cost convention.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 : Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2006. The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2006.

A2. Comparatives

Pursuant to the reclassification of certain non-current asset to assets held for sale (as disclosed in Note A14 and B8), the following comparative amounts have been restated in accordance with FRS 5 : Non-current Assets Held for Sale and Discontinued Operations.

	<-----Adjustments----->		
	Previously stated RM'000	FRS 5 RM'000	Restated RM'000
6 months ended 30 June 2006			
Revenue	110,975	(61,929)	49,046
Cost of sales/services provided	(76,483)	46,893	(29,590)
Gross profit	34,492	(15,036)	19,456
Other income	1,284	(53)	1,231
Selling and distribution expenses	(381)	246	(135)
Administrative expenses	(19,482)	5,563	(13,919)
Other expenses	(5,100)	1,747	(3,353)
Finance costs	(2,235)	519	(1,716)
Profit before taxation	8,578	(7,014)	1,564
Taxation	(2,753)	2,085	(668)
Profit for the period from continuing operations	<u>5,825</u>	<u>(4,929)</u>	<u>896</u>
3 months ended 30 June 2006			
Revenue	55,681	(29,301)	26,380
Cost of sales/services provided	(37,263)	21,196	(16,067)
Gross profit	18,418	(8,105)	10,313
Other income	67	(42)	25
Selling and distribution expenses	(218)	127	(91)
Administrative expenses	(9,747)	2,732	(7,015)
Other expenses	(2,807)	875	(1,932)
Finance costs	(1,276)	244	(1,032)
Profit before taxation	4,437	(4,169)	268
Taxation	(1,397)	1,172	(225)
Profit for the period from continuing operations	<u>3,040</u>	<u>(2,997)</u>	<u>43</u>

A3. Auditors' report on preceeding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2006 was not qualified.

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A4. Comments about seasonal or cyclical factors

The Group's interim operations were not affected by seasonal or cyclical factors.

A5. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the quarter under review.

A6. Changes in estimates

There were no changes in estimates that have had a material effect on the results in the quarter under review.

A7. Debts and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the quarter under review other than the repayment of RM20.0 million of Islamic Commercial Papers ("ICP").

A8. Dividends paid

No dividends were paid during the quarter under review.

A9. Segmental reporting

Pursuant to the disposal of IT Services businesses, the core business is now outsourcing with Symphony Xen Solutions Sdn Bhd as the only IT Services business.

Primary reporting format	Period ended 30.06.2007		Period ended 30.06.2006	
	<u>Revenue</u> RM'000	<u>Profit before taxation</u> RM'000	<u>Revenue</u> RM'000	<u>Profit before taxation</u> RM'000
<u>Business segments</u>				
Investment holding	3,063	79	1,542	(473)
IT Services	2,058	333	1,327	(141)
Outsourcing	75,190	7,933	47,837	4,631
	<u>80,311</u>	<u>8,345</u>	<u>50,706</u>	<u>4,017</u>
Inter-segment eliminations	<u>(3,106)</u>	<u>(2,108)</u>	<u>(1,660)</u>	<u>(824)</u>
	<u>77,205</u>	<u>6,237</u>	<u>49,046</u>	<u>3,193</u>
Finance costs	-	(1,972)	-	(1,716)
Interest income	-	803	-	87
	<u>77,205</u>	<u>5,068</u>	<u>49,046</u>	<u>1,564</u>

A10. Carrying amount of revalued assets

The Group did not carry out any valuation on its property, plant and equipment.

A11. Material events subsequent to the balance sheet date

Other than the following and as disclosed in Note B8, there were no material events subsequent to the end of the quarter under review that have not been reflected in the financial statements:

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A12. Changes in the composition of the Group

There were no changes in the composition of the Group during the quarter under review except for the following:

- a) On 27 April 2007, the Company increased the equity interest in Ironbeak Limited ("Ironbeak") from 87.7% to 89.6% of the issued & paid-up capital via the acquisition of 1,937,680 ordinary shares of US\$0.01 each (or 1.9% of the total issued and paid up capital) at a cash consideration of RM1.66 million. As a result, the Company's effective interest in Vsource Asia Sdn Bhd ("Vsource") has increased from 71.6% to 72.6% comprising 45.8% held indirectly via Ironbeak and 26.8% held directly in Vsource; and
- b) On 3 May 2007, the Company completed the disposal of Symphony Capital Sdn Bhd ("SCSB") for a total consideration of RM0.3 million and SCSB ceased to be a subsidiary as at that date.
- c) On 29 June 2007, the Company completed the disposal of Symphony Global Technologies Sdn Bhd ("SGT") for a total consideration of RM10.0 million and SGT ceased to be a subsidiary as at that date.

A13. Changes in contingent liabilities or contingent assets

As at 30 June 2007, there were no material changes in contingent liabilities or contingent assets since the last annual audited balance sheet as at 31 December 2006.

A14. Discontinued Operation

As at 30 June 2007, the subsidiaries detailed in Note B8 were classified as a disposal group held for sale. The revenue, results and cash flows of the subsidiaries were as follows:

	Individual Quarter ended		Cumulative Quarter ended	
	30.06.2007 RM'000	30.06.2006 RM'000	30.06.2007 RM'000	30.06.2006 RM'000
Revenue	18,503	29,301	42,145	61,929
Profit before tax	1,825	4,169	3,631	7,014
Income tax expense	(679)	(1,172)	(1,276)	(2,085)
Profit for the period from discontinued operations	1,146	2,997	2,355	4,929
Loss recognised on the remeasurement of assets of disposal group	(1,063)	-	(2,808)	-
Profit/(Loss) for the period from discontinued operations	83	2,997	(453)	4,929
Cash flows from operating activities	17,668	2,550	17,232	13,238
Cash flows from investing activities	(21)	(76)	85	(127)
Cash flows from financing activities	(4,044)	(2,971)	(6,073)	(5,275)
Total cash flows	13,603	(497)	11,244	7,836

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A14. Discontinued Operation (cont'd)

The major classes of assets and liabilities of the subsidiary classified as held for sale as at 30 June 2007 are as follows:

Assets:	RM'000
Investment property	5,782
Deferred taxation	356
Inventories	2,159
Trade and other receivables	15,434
Due from contract customers	22,224
Tax recoverable	1,356
Cash and bank balances	21,080
Assets of disposal group classified as held for sale	<u>68,391</u>
Liabilities:	
Trade and other payable	27,570
Borrowings	4,791
Taxation	841
Deferred taxation	189
Liabilities directly associated with the assets classified as held for sale	<u>33,391</u>
Net assets attributable to discontinued operations	<u>35,000</u>

A15. Capital commitments

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 June 2007 is as follows:

	RM '000
Approved but not contracted for	7,611
Approved and contracted for	1,443
	<u>9,054</u>

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

B1. Review of group results for the quarter ended 30 June 2007

The results for the quarter ended 30 June 2007 and its comparatives reflect the new structure of the Group pursuant to its proposed disposal of its IT Services and corporate advisory businesses. In accordance with FRS 5 : Non-current Assets Held for Sale and Discontinued Operations, the results of these businesses are reflected separately as "Profits for the period from discontinued operations".

After taking this into consideration, the Group's continuing operations recorded revenue and profit before taxation ("PBT") for the quarter ended 30 June 2007 of approximately RM44.7 million and RM3.0 million respectively. Revenue was higher by 69% and the profit before taxation was higher by 1029% when compared to the results of comparable businesses for same quarter of the last financial year reflecting the strong growth in the outsourcing businesses of the Group.

B2. Variation of results against the preceding quarter

For the quarter ended 30 June 2007, the Group recorded PBT of RM3.0 million compared to RM2.0 million for the quarter ended 31 March 2007. The increase in PBT was mainly contributed by improved performances in most of the business units and lower interest costs due to debt repayment during the quarter.

B3. Prospects for the Year 2007

The Group is repositioning its business to focus on outsourcing services through the divestment of its IT businesses. The directors expect that the new strategic direction of the Group will provide a platform for sustainable and stable earnings in an industry that has healthy growth and prospects.

B4. Profit forecast

Not applicable as the Company has not provided a profit forecast for the year under review.

B5. Taxation

	Individual quarter ended		Cumulative quarter ended	
	30.06.2007	30.06.2006	30.06.2007	30.06.2006
	RM'000	RM'000	RM'000	RM'000
In respect of the current period				
Malaysian income tax	(1,531)	239	(911)	512
Deferred taxation	246	(14)	246	156
Tax (reversal)/expense	<u>(1,285)</u>	<u>225</u>	<u>(665)</u>	<u>668</u>

The effective tax rate for the quarter and period under review were lower than the statutory tax rate mainly due to the non provision of income tax by subsidiaries which have been granted income tax free period as a result of being awarded the Multimedia Super Corridor ("MSC") status and a tax incentive granted to the Company for the acquisition of a foreign company.

B6. Sale of unquoted investments and/or properties

There were no disposal of unquoted investments or properties during the quarter under review.

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B7. Quoted and marketable securities

There were no acquisition or disposal of quoted investments during the quarter under review.

Details of investment in quoted and marketable securities held by the Group as at 30 June 2007 are as follows:

	RM '000
Cost	1,261
Carrying value	<u>1,249</u>
Market value	<u>722</u>

B8. Status of corporate proposals as at 17 August 2007

On 27 February 2007, the Company entered into the following sale and purchase agreements:

- a) disposal of 100% interest in Symphony Global Sdn Bhd ("SGSB") to Computer Sense Sdn Bhd for a cash consideration of RM35 million;
- b) disposal of 100% interest in Symphony Global Technologies Sdn Bhd ("SGT") to Encik Jasmy bin Ismail and Puan Kamariah binti Mohd Ali for a cash consideration of RM10 million;
- c) disposal of 100% interest in Symphony Capital Sdn Bhd ("SCSB") to Encik Ahmad Zulqarnain bin Che On for a cash consideration equivalent to the net tangible assets of SCSB at the close of the month end immediately preceding the completion of the disposal.

The disposals of SCSB and SGT was completed on 3 May 2007 and 29 June 2007 respectively and the disposal of SGSB was completed subsequent to the quarter under review on 31 July 2007.

B9. Group borrowings

Group borrowings as at 30 June 2007 were as follows:

	RM'000
Short term borrowings	10,550
Long term borrowings	<u>36,624</u>
	<u>47,174</u>

As at 30 June 2007, the group's (excluding disposal group) borrowings are denominated in Ringgit Malaysia and secured by the following:

- a) negative pledge;
- b) letter of support by the Company; and
- c) assignment of a Sinking Fund Account and a Finance Service Reserve Account.

B10. Off balance sheet financial instruments

As at 17 August 2007, there were no material changes in the off balance sheet financial instruments since the last annual audited balance sheet as at 31 December 2006.

B11. Material litigation

On 11 October 2004, the Company was served with a writ of summons and statement of claim by Tam Kut Hing against the Company as second defendant. On the advice of its lawyers, the Company is of the view that the suit is without merit and the Company does not expect any material adverse financial impact or material losses to the Group arising from the suit.

As at 17 August 2007, the Group has no outstanding material litigation which might materially and adversely affect the position or business of the Group.

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B12. Dividends

On 28 March 2007, the directors recommended final dividends of 0.30 sen per share, tax exempt amounting to RM1,980,000 and 1.07 sen per share, less 27% taxation amounting to RM5,155,260 in respect of the financial year ended 31 December 2006. The dividends were approved by the shareholders' at the Annual General Meeting on 30 May 2007 and paid on 3 July 2007.

No interim ordinary dividend has been declared during the quarter under review.

B13. Earnings per share ("EPS")

	Individual quarter ended		Cumulative quarter ended	
	30.06.2007	30.06.2006	30.06.2007	30.06.2006
Basic EPS				
Profit for continuing operations attributable to ordinary equity holders of the Company	3,713	8	4,740	786
Profit for discontinued operations attributable to ordinary equity holders of the Company	83	2,997	(453)	4,929
Profit attributable to ordinary equity holders of the Company	<u>3,796</u>	<u>3,005</u>	<u>4,287</u>	<u>5,715</u>
Weighted average number of ordinary shares in issue ('000)	660,000	660,000	660,000	660,000
Basic EPS (sen) for:				
Profit for continuing operations	0.56	0.00	0.72	0.12
Profit for discontinued operations	0.01	0.45	(0.07)	0.75
Profit for the period	<u>0.57</u>	<u>0.45</u>	<u>0.65</u>	<u>0.87</u>
Diluted EPS				
Profit for continuing operations attributable to ordinary equity holders of the Company	3,713	8	4,740	786
Profit for discontinued operations attributable to ordinary equity holders of the Company	83	2,997	(453)	4,929
Profit attributable to ordinary equity holders of the Company	<u>3,796</u>	<u>3,005</u>	<u>4,287</u>	<u>5,715</u>
Weighted average number of ordinary shares in issue ('000)	660,000	660,000	660,000	660,000
Diluted EPS (sen) for:				
Profit for continuing operations	0.56	0.00	0.72	0.12
Profit for discontinued operations	0.01	0.45	(0.07)	0.75
Profit for the period	<u>0.57</u>	<u>0.45</u>	<u>0.65</u>	<u>0.87</u>

There is no dilutive effect on the EPS of the Group of the assumed conversion of the warrants and the exercise of the ESOS due to the exercise price of the warrants and the ESOS being higher than the average fair value of the ordinary shares.

By Order of the Board

Nuruluyun binti Abdul Jabar
 Joint Company Secretary
 23 August 2007