

QUARTERLY REPORT

Notes on the second quarterly report ended 30 June 2007

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

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

For the current quarter under review and financial period to-date, the Group registered a revenue of RM1.060million, a decrease of 14.4% from RM1.239 million recorded in the previous year's corresponding period. Despite an improvement in the gross profit margin from 24.6% in the preceding year corresponding period to 36.4% in the current period, the Group recorded a loss before taxation of RM0.597 million as compared to a loss before taxation of RM0.545 million as reported in the preceding year corresponding period.

This can be attributed to lower interest income, higher operating costs plus higher losses incurred by the associated companies during the current period.

B2 Variation of results against the preceding quarter

	<i>Current Quarter 30 June '07 RM'000</i>	<i>Preceding Quarter 31 Mar '07 RM'000</i>
Revenue	408	652
Loss before taxation	(422)	(175)

For the current quarter, the Group achieved a revenue of RM408,000 as compared to RM652,000 in the preceding quarter.

The Group registered a loss before taxation of RM422,000 for the quarter as compared to a loss before taxation of RM175,000 during the preceding quarter.

The higher loss before tax for the current quarter of RM247,000 as compared to the corresponding quarter was mainly due to decrease in revenue of RM246,000 as compared to corresponding quarter.

B3 Current year's prospects

The market for the Group's products and services in the current year remain competitive.

Group performance for the 2nd half year is expected to remain the same as the 1st half year.

B4 Profit forecast

Not applicable.

B5 Taxation

	<i>Individual quarter ended</i>		<i>Cumulative quarter ended</i>	
	<i>30 June '07</i>	<i>30 June '06</i>	<i>30 June '07</i>	<i>30 June '06</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Current year provision	3	9	7	15
Underprovision/(Overprovision)in the previous year	(3)	-	(3)	-
	<u>-</u>	<u>9</u>	<u>4</u>	<u>15</u>

The current taxation provision relates to interest income and no further provision for taxation was made for the quarter ended 30 June 2007 mainly due to the pioneer status incentive enjoyed by Infortech Alliance Berhad whilst some of its other subsidiaries have yet to generate taxable profits during the quarter.

B6 Sale of unquoted investments and/or properties

There were no disposal of unquoted investments during the quarter under review and there were no properties owned by the Group as at 30 June 2007.

QUARTERLY REPORT

Notes on the second quarterly report ended 30 June 2007

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

B7 Quoted and marketable securities

There were no investments in quoted securities as at 30 June 2007.

B8 Status of corporate proposals

No corporate proposals have been announced during this period. The status of corporate proposals announced by the Company in 2004 is set out below:

(1) The proposed employee share option scheme of up to 15% of the issued and paid-up share capital of the Company was approved for implementation. However, no options have been offered pursuant to the scheme as at 30 June 2007.

B9 Group borrowings and debts securities

As at 30 June 2007 the Group had no borrowings. All Bank borrowings were repaid in the month of June 2007

B10 Off balance sheet financial instruments

There are no off balance sheet financial instruments as at the date of this report.

B11 Material litigation

There was no material litigation as at 21 August 2007, being a date not earlier than 7 days from the date of this announcement.

B12 Dividends

No dividend has been recommended for the quarter under review.

B13 Basic earnings per share

	<i>Individual quarter ended</i>		<i>Cumulative quarter ended</i>	
	<i>30 June '07</i>	<i>30 June '06</i>	<i>30 June '07</i>	<i>30 June '06</i>
Net profit/(loss) for the period (RM'000)				
Weighted average number of ordinary shares in issue ('000)	(422)	(277)	(601)	(560)
Basic earning/(loss) per share (sen)	66,000	66,000	66,000	66,000
	(0.64)	(0.42)	(0.91)	(0.85)

B14 Authorisation For Issue

The Authority was given for the release of this quarterly report by way of a resolution passed during the Board of Directors' meeting held on 28 August 2007.

By Order of the Board

Mah Li Chen (MAICSA 7022751)

Tan Fong Shian @ Lim Fong Shian (MAICSA 7023187)

Company Secretaries

Kuala Lumpur

28 August 2007