MEXTER TECHNOLOGY BERHAD

(Company No: 647673 - A)
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED
30 JUNE 2007**

MEXTER TECHNOLOGY BERHAD
(Company No 647673-A)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2007

The Board of Directors of Mexter Technology Berhad ("Mexter" or "Company") wishes to announce the following unaudited condensed consolidated results for the period ended 30 June 2007 which should be read in conjunction with the audited financial statements of Mexter for the financial year ended 31 December 2006.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2007

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Note	CURRENT YEAR QUARTER 30/6/2007 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2006 RM'000	CURRENT YEAR TO DATE 30/6/2007 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/6/2006 RM'000
Revenue	A8	4,158	6,343	7,587	9,821
Operating expenses		(4,970)	(6,269)	(8,681)	(8,877)
Other operating income		102	106	173	168
(Loss)/Profit from operations		(710)	180	(921)	1,112
Finance costs		(2)	(1)	(6)	(3)
Share of (loss)/profit of associated company		(42)	133	(42)	130
(Loss)/Profit before tax		(754)	312	(969)	1,239
Income tax expense	B5	0	7	0	(53)
(Loss)/Profit for the period		(754)	319	(969)	1,186
Attributable to:					
Shareholders of the Company		(754)	318	(969)	1,018
Minority interests		0	1	0	168
(Loss)/Profit for the period		(754)	319	(969)	1,186
Earnings per share:					
Basic (loss)/earnings per share (sen)		(0.8)	0.4	(1.1)	1.1
Diluted earnings per share (sen)		N/A	N/A	N/A	N/A

N/A – Not Applicable

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2007

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2007

	Note	(UNAUDITED) AS AT 30/6/2007 RM'000	(AUDITED) AS AT 31/12/2006 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		2,333	2,371
Associated company		346	388
Intangible assets		3,754	3,890
		6,433	6,649
Current assets			
Inventories		5,280	5,266
Trade and other receivables		3,727	4,953
Tax recoverable		89	163
Cash and cash equivalents		7,112	7,577
		16,208	17,959
TOTAL ASSETS		22,641	24,608
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Company			
Share capital		8,945	8,945
Reserves		11,570	12,805
		20,515	21,750
Non-current liabilities			
Borrowings	B9	185	206
Deferred tax liabilities		3	3
		188	209
Current Liabilities			
Trade and other payables		1,601	2,562
Dividend payable		268	0
Borrowings	B9	38	38
Taxation		31	49
		1,938	2,649
Total liabilities		2,126	2,858
TOTAL EQUITY AND LIABILITIES		22,641	24,608
Net assets per share attributable to ordinary Shareholders of the Company (RM)		0.23	0.24

MEXTER TECHNOLOGY BERHAD
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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2007

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2007

	< ---------- Attributable to Shareholders of the Company ---------- >							
	<--------Non-distributable-------->				Distributable	Total	Minority Interests	Total Equity
	Share capital	Share premium	Capital reserve	Translation reserve	(Accumulated loss) / Retained profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1/1/2006:-								
- as previously reported	8,945	9,382	0	1	2,878	21,206	725	21,931
- prior period adjustment in respect of equity share-based transactions	0	0	149	0	(149)	0	0	0
- as restated, after opening balance adjustment	8,945	9,382	149	1	2,729	21,206	725	21,931
Exchange differences on translation of the financial statements of foreign entities	0	0	0	(9)	0	(9)	0	(9)
Profit for the period	0	0	0	0	1,018	1,018	168	1,186
Equity settled share-based transactions	0	0	(23)	0	0	(23)	0	(23)
At 30/6/2006	8,945	9,382	126	(8)	3,747	22,192	893	23,085
At 1/1/2007	8,945	9,382	126	(17)	3,314	21,750	0	21,750
Exchange differences on translation of the financial statements of foreign entities	0	0	0	2	0	2	0	2
Loss for the period	0	0	0	0	(969)	(969)	0	(969)
Dividend – 2006 final	0	0	0	0	(268)	(268)	0	(268)
At 30/6/2007	8,945	9,382	126	(15)	2,077	20,515	0	20,515

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2007

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2007

	AS AT CURRENT FINANCIAL PERIOD ENDED 30/6/2007 RM'000	AS AT PRECEDING FINANCIAL PERIOD ENDED 30/6/2006 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(969)	1,239
Adjustments for non-cash flows:		
Non-cash items	490	100
Interest income	(83)	(109)
Interest expense	6	3
Operating (Loss)/Profit Before Working Capital Changes	(556)	1,233
Changes In Working Capital:		
Net change in current assets	1,212	(1,530)
Net change in current liabilities	(961)	1,110
Net Cash (Outflow)/Inflow from Operations	(305)	813
Income tax refunded	56	15
Software development cost paid	(110)	(324)
Net Cash (Outflow)/Inflow from Operating Activities	(359)	504
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	83	109
Investment in an associate	0	(490)
Dividend received	0	258
Purchase of property, plant and equipment	(165)	(138)
Proceed from disposal of property, plant and equipment	1	0
Net Cash Outflow from Investing Activities	(81)	(261)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(6)	(3)
Repayment of bank borrowings	(21)	(334)
Net Cash Outflow from Financing Activities	(27)	(337)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(467)	(94)
Effects of foreign exchange rate changes	2	(9)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL PERIOD	7,577	10,883
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD	7,112	10,780

PART A – EXPLANATORY NOTES PURSUANT TO FRS 134: INTERIM FINANCIAL REPORTING

A1 – Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with the requirements of FRS 134: Interim Financial Reporting and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB") for the MESDAQ Market.

The interim financial report 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 report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company, its subsidiary companies and associated company (the "Group") since the year ended 31 December 2006.

A2 – Changes in Accounting Policies

The significant accounting policies adopted during the current quarter under review are consistent with those of the audited financial statements for the year ended 31 December 2006 except for the adoption of the following new/revised Financial Reporting Stanadards ("FRSs") which are effective and applicable for the financial period beginning 1 January 2007:-

FRS 117	Leases
FRS 124	Related Party Disclosures
Amendments to FRS 119_{2004}	Employee Benefits : Actuarial Gain and Losses, Group plans and Disclosure

The adoption of all the above mentioned FRSs did not have any significant financial impact on the Group.

A3 – Auditors' Report on Preceding Audited Financial Statements

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

A4 – Seasonal or Cyclicality of Operations

In general, the Group's business is exposed to business cycles of the electronic, semiconductor and automotive industries which continue to remain soft albeit a modest recovery during the current quarter under review.

A5 – Unusual Nature and Amount of Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

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

A6 – Changes in Estimates

There were no material changes in estimates of amounts reported in the prior financial period which may have had a material effect on the current quarter under review.

A7 – Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuance and repayment of debts (other than the hire purchase debts disclosed in Note B9) and equity securities during the current quarter under review and the Company had not engaged in any share buyback scheme or implemented any share cancellations. The Company does not have any shares held as treasury shares.

A8 – Segmental Information

The Group operates predominantly in the information communication technology industry and accordingly, only the geographical segmental information is presented.

(a) Current quarter

	Current quarter ended 30 June 2007		
Analysis by geographical location	**Revenue from external customers by location of customers RM'000**	**Inter-segment revenue RM'000**	**Total revenue RM'000**
Malaysia	3,763	-	3,763
China	142	-	142
India	-	-	0
Indonesia	15	-	15
Singapore	24	-	24
Thailand	11	-	11
United State of America	203	-	203
	4,158	-	4,158
Eliminations	-	-	-
Consolidated	4,158	-	4,158

A8 – Segmental Information (continued)

(b) Cumulative quarters

	Cumulative quarters ended 30 June 2007		
Analysis by Geographical location	**Revenue from external customers by location of customers RM'000**	**Inter-segment revenue RM'000**	**Total revenue RM'000**
Malaysia	6,726	-	6,726
China	427	-	427
India	1	-	1
Indonesia	27	-	27
Singapore	170	-	170
Thailand	33	-	33
United State of America	203	-	203
	7,587	-	7,587
Eliminations	-	-	-
Consolidated	7,587	-	7,587

A9 – Valuation of Property, Plant and Equipment

There has been no valuation on any property, plant and equipment of the Group during the current quarter under review. Hence, the valuation of property, plant and equipment has been brought forward without amendment from the audited financial statements of the Group for the financial year ended 31 December 2006.

A10 – Acquisition/Disposal of Property, Plant and Equipment

There were no material acquisitions or disposals of property, plant and equipment during the current quarter under review.

A11 – Material Subsequent Events

Save as that disclosed below, there were no material events subsequent to the end of the current quarter under review:-

On 16 August 2007, a Director of the Company had lodged a police report pertaining to the suspected missing components of three (3) test machines belong to two (2) subsidiaries of Mexter, namely, Mexter (M) Sdn Bhd and Tonerex MSC Sdn Bhd. Whilst the missing components will not have a material effect on the operations of the Group, the same will have an adverse financial effect on the Group should the missing components failed to be recovered or the insurance coverage is not adequate to cover the replacement cost. At this juncture, the Group is unable to accurately quantify the losses. In any event, all necessary adjustments will be made after the circumstances surrounding the suspected missing components and the effects thereafter including actual losses suffered (if any) are established.

A12 – Changes in Composition of the Group

Save as disclosed below, there were no changes to the composition of the Group during the current quarter under review:-

On 20 June 2007, the Company had incorporated a wholly-owned subsidiary known as MexComm Sdn. Bhd. ("MexComm") (Company No. 777810-D). The authorised share capital of MexComm is RM100,000 comprising 100,000 ordinary shares of RM1.00 each which is fully paid-up as at the date of this announcement. MexComm is principally engaged in the business of mobile messaging gateway solutions and services.

A13 – Changes in Contingent Liabilities or Contingent Assets

As at the date of this announcement, the Directors of the Company are not aware of any material contingent liabilities or contingent assets of the Group.

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE MESDAQ MARKET

B1 – Review of Performance

	Cumulative period ended 30 June 2007 RM'000	**Preceding year corresponding period ended 30 June 2006 RM'000**
Revenue	7,587	9,821
Profit/(Loss) before tax	(969)	1,239

For the financial period ended 30 June 2007, the Group recorded revenue of approximately RM7.59 million which represented a 23% reduction in sales when compared to the recorded revenue of approximately RM9.82 million for the preceding year's corresponding period. This was mainly attributed to the fall in sales contribution of the Test Measurement and Solutions Division and E-Manufacturing Division as a result of the reduced orders from customers for its products and services in tandem with the overall challenging business environment of the Electronic Manufacturing Services ("EMS") industry.

For the same financial period, the Group recorded loss before tax of approximately RM0.97 million compared with the preceding year corresponding period's profit before tax of approximately RM1.24 million. This was mainly attributed to the following:-

(a) The revenue recorded is mainly derived from the sales of hardware products which generally yield lower gross profit ("GP") margins. This was further compounded by the reduction in the sales contribution from the E-manufacturing Division which tend to fetch higher GP margin for its products and services;

(b) The losses suffered from the disposal of test equipments which were previously rented out to the Group's customer;

(c) The high overheads which are mainly fixed in nature e.g. salary cost coupled with the acceleration of the amortisation of R&D cost from 3-5 years to 2-3 years; and

(d) The ceasing of capitalisation of R&D cost since June 2006.

B2 – Comparison with Preceding Quarter's Results

	Current quarter ended 30 June 2007 RM'000	**Previous quarter ended 31 March 2007 RM'000**
Revenue	4,158	3,429
Loss before tax	(754)	(215)

The Group's revenue for the current quarter of approximately RM4.16 million represents an increase of approximately RM0.73 million or 21% as compared to the revenue of approximately RM3.43 million for the preceding quarter. This is mainly due to increase in hardware sales as a result of the Group's continued efforts to derive higher revenue from its IT solutions and services business to negate the cyclical nature of the E-Manufacturing and Test and Measurement businesses.

Contrary to the revenue figures, the Group's recorded a loss before tax of approximately RM0.75 million for the current quarter which represents an increase of losses of approximately RM0.54 million or more than 100% when compared to the Group's loss before tax of approximately RM0.21 million reported in the previous preceding quarter. The increase in losses during the current quarter was mainly attributed to the lower GP margins, which was not sufficient to cover the high overheads as well as the losses suffered from the disposal of test equipments which was previously rented out to the Group's customer.

B3 – Current Year Prospects

Looking ahead, the Group's journey in its quest for growth will continue to be challenging given the various internal and external factors affecting the Group. In light of this anticipated challenges, the Company has and will continue to develop a series of strategic initiatives going forward to ensure that the Group remains relevant in today's market place which is categorised by intense competition within the EMS/ICT industry, the rapidly changing trends and industry challenges.

These strategies include amongst others the following:-

(1) **Market Strategy** – The Group will continue to intensify efforts to pursue new markets and customers to market its products and services. This will be done by leveraging on the current relationship with existing customers or entering into strategic alliances to penetrate new markets. Further, the Group is actively trying to cross sell the Group's suite of products and services by capitalising on the client database of the various divisions within the Group as most of the Group's products and services are complementary in nature. This will allow the Group to further increase its sales volume and achieve greater economies of scale thus allowing the Group to be more competitive.

(2) **Product/Services Strategy** – The Group will continue to accelerate the development of new products and services with its own distinct features to give it a competitive advantage over our rivals. For instance, by the end of this year, the Group plans to have rolled out new improved versions of its MexterEcute V2.0 (formerly known as MexterEcute++) for the automotive industry, its MexterPVS Lite for the EMS industry that will allow the Group to tap on the 2nd and 3rd tier contract manufacturers as well as MexterTT (Test Traceability) also for the electronic industry that will allow the Group to expand its reach as this product will be able to cover the final back-end testing.

In addition, the Group has also set up a new Applied Technology Division that has been entrusted to explore innovative driven business applications utilising the latest technologies as part of the Group's strategy to negate its dependency on its traditional products which are cyclical. This Division is also expected to provide the Group with the catalyst for growth in the future as the Group can no longer depend on organic growth as a mean to grow. This will be done by developing the applications in-house or acquiring companies that have business synergies with proven technologies and customer base through M&A activities.

Consequently, the Company had in June 2007 incorporated a wholly owned subsidiary, MexComm Sdn. Bhd., which, when fully operational, will provide its customer with a mobile messaging gateway to facilitate the broadcasting of mobile contents to end users locally and globally. In the near future, this division will be moving into providing mobile content development services.

(3) **Operational Strategy** – In order to provide the Group with greater efficiency and effectiveness, the Group via its subsidiary, Mexter MSC Sdn Bhd ("MMSC") has embarked on the Capability Maturity Model Integration (CMMI – Level 3) to further define and refine the robustness of its internal systems and processes. In July 2007, MMSC had successful completed the CMMI Level 3 program. With CMMI , MMSC's chances to secure new clients/higher value contracts will be enhanced as major MNCs recognise CMMI as a benchmark of high quality processes.

(4) **Cost Control Strategy** – The Group is actively pursuing cost cutting measures to keep the overheads of the company under control by redefining the way the Group carries out its business. These cost cutting measure once materialised will not only help improve the bottom line of the Group but will also at the same time transform the Group into a stronger and more leaner organisation to enable it to compete with its peers in the industry.

(5) **Human Capital Strategy** – The greatest asset of the Group is its people. As such, the Group has and will continue to invest substantially in human resource by employing capable people equipped with the right knowledge and skills to fill up senior, middle management and technical (having expertise in latest programming/database technologies) positions to elevate the Company to the next level. These new people bring with them their wealth of experience from different industries and the necessary networking that the Group is able to leverage on.

(6) **Brand Strategy** – The Group has embarked on an exercise to refresh the brand image of the Mexter. This is expected to give the Group a total new look and feel, a sign of things to come from the Group in the future. The new image, which includes a total revamp of the Company's logo, website, visual ID, stationary, etc is expected to be completed and launched by the 3rd quarter of 2007.

In order to further build the brand equity, the Company would also be employing a strategy to ride on the brands of its MNC customers and major technologies principals whom Mexter has developed a close working relationship and in some instances jointly developed products for commercialisation.

The Company acknowledges that the said efforts are significant undertakings and requires some time to be fully implemented successfully. Therefore, the Company does not expect that these initiatives to come to fruition within this financial year end. Nevertheless, the Company is confident that the Group will overall benefit from such initiatives in the coming years.

B4 – Profit Forecast

The Group did not publish any profit forecast in its Prospectus or in any public documents.

B5 – Income Tax Expense

	30 June 2007	
	Current Quarter RM'000	**Cumulative Quarters RM'000**
Malaysian income tax:-		
Current tax:		
- Current year	-	-
- Overprovision in prior years	-	-
	-	-
Deferred taxation:		
- Original and reversal of temporary differences	-	-
	-	-

There is no tax charge for the current period as the Company and most of the subsidiaries suffered losses. The subsidiaries which reported profits had sufficient tax losses to off set profits made. MMSC and Tonerex MSC Sdn. Bhd. were granted Multimedia Super Corridor ("MSC") status which exempts their income from taxation for a period of five (5) years commencing from November 2002 and July 2005 respectively. The Company is in the process of applying for an extension of the MSC status of MMSC for a further period of five (5) years from the expiry date in November 2007.

B6 – Profit/(Loss) on Sale of Unquoted Investments and/or Properties

There was no sale of unquoted investments and/or properties during the current quarter under review.

B7 – Purchase or Disposal of Quoted Securities

There was no purchase or disposal of quoted securities during the current quarter under review.

B8 – Status of Corporate Proposals Announced But Not Completed

There were no corporate proposals announced but not completed as of the date of this announcement.

B9 – Group Borrowings and Debt Securities

Group borrowings as the end of the reporting quarter were as follows:-

	Short Term RM'000
Hire purchase liabilities (Unsecured)	22
Term loan (Secured)	16
	38

	Long Term RM'000
Hire purchase liabilities (Unsecured)	12
Term loan (Secured)	173
	185

The Group does not have any foreign borrowings as at the date of this announcement.

B10 – Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this announcement.

B11 – Material Litigations

There have not been any changes in material litigation since 31 December 2006, being the last balance sheet date up to the date of this announcement.

B12 – Dividends

The shareholders of the Company had at its Annual General Meeting held on 19 June 2007 approved the payment of a first and final tax exempt dividend of 3% per share amounting to RM268,356 as recommended by the Directors in respect of the financial year ended 31 December 2006. The said dividends were paid on 5 July 2007 to entitled shareholders who's names was appear in the record of depositors as at 26 June 2007.

B13 – Status of Utilisation of Proceeds

The proceeds arising from the Company's initial public offering amounted to RM13.937 million and as at 30 June 2007, the details of the utilisation of proceeds are as follows:-

Purpose	Original proposed utilisation RM'000	Revised proposed utilisation RM'000	Actual utilisation RM'000	Revised Timeframe For Utilisation	Balance unutilised RM'000	%	Explanations
Business expansion	1,000	3,100 #	2,603	31 December 2007	497	16	Note 1
Purchase of a corporate headquarters-cum-warehouse	2,500	400 #	395	31 July 2007	5	1	Note 2
R&D expenses	5,000	5,000	3,117	11 April 2009	1,883	38	Note 3
Working capital	3,637	4,367 *	4,007	31 December 2007	360	8	Note 4
Estimated listing expenses	1,800	1,070 *	1,070	11 April 2005	-	-	Note 5
Total	13,937	13,937	11,192		2,745	20	

\# Revision as approved by the Securities Commission vide its letter dated 17 October 2005.

* The excess of RM0.73 million from the estimated listing expenses which has not been utilised has been reallocated to working capital.

<u>Explanations:</u>

<u>Note 1:-</u>

The Company has originally intended to invest RM1 million of the proceeds raised to set up branch offices in Shenzhen and Shanghai in China within two (2) years from the listing date. In June 2005, the Company initiated the incorporation of a wholly owned subsidiary, Mexter International Limited ("MIL") which is based in Shanghai, China with an approved investment of USD130,000 (approximately RM491,888) as the initial paid-up capital of MIL. However, the Company intends to only maintain the branch office in Shenzhen as this is sufficient to service the Group's clients in China at the moment.

In addition to the above, the Company has fully utilised the RM2.1 million of the proceeds earmarked for acquiring companies which are synergistic to the Group's business with the completion of the acquisition of the remaining 40% interest in Tonerex Technologies Sdn Bhd and investment in Advantech Co. Malaysia Sdn Bhd in December 2006 and April 2006 respectively.

As for the remaining proceeds unutilised as at 30 June 2007, the Company intends to utilise the same for the investment in the newly incorporated subsidiary, MexComm. The Securities Commission had, via its letter dated 10 July 2007, approved the extension of time for the utilisation of proceeds to 31 December 2007 from the previous April 2007 deadline.

<u>Note 2:-</u>

The Company has utilised approximately RM0.395 million for the "purchase of a corporate headquarters-cum-warehouse" on renovation, purchase of office equipments and furniture and fittings for the existing offices. The balance RM0.005 million will be used to purchase additional furniture and fittings for the Head Office in Kuala Lumpur to cater for additional employees. The Securities Commission had, via its letter dated 10 July 2007, approved the extension of time for the utilisation of proceeds to 31 July 2007 from the previous April 2007 deadline.

<u>Note 3:-</u>

As at 30 June 2007, the Group has achieved satisfactory progress in its R&D for product line extension and considers the time frame of four (4) years from the Company's listing date of 12 April 2005 to be sufficient for the Group to fully utilise the proceeds for its intended purposes.

<u>Note 4:-</u>

The Company had allocated approximately RM3.64 million from the proceeds raised to meet the Group's working capital requirements. The funds were intended to be used to finance the day-to-day operations of the Group for two (2) years from the listing date. As of 30 June 2007, all of the proceeds earmarked for working capital had been utilised. However, the excess of RM0.73 million from the estimated listing expenses which has been reallocated to working capital has yet to be fully utilised. The Securities Commission had, via its letter dated 10 July 2007, approved the extension of time for the utilisation of proceeds to 31 December 2007 from the previous April 2007 deadline.

<u>Note 5:-</u>

The actual listing expenses incidental to the listing of and quotation for the entire issued and paid-up capital of the Company on the MESDAQ Market has been incurred in 2005. The excess of RM0.73 million from the estimated listing expenses which has not been utilised has been reallocated to working capital.

B14 - Earnings per Share

(a) *Basic earnings per share ("EPS")*

Basic EPS of the Group are calculated by dividing the (loss)/profit for the period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the period.

		Current quarter ended 30 June		**Cumulative quarters ended 30 June**	
		2007	**2006**	**2007**	**2006**
Profit/(Loss) for the period attributable to ordinary shareholders of the Company	(RM'000)	(754)	318	(969)	1,018
Weighted average number of ordinary shares in issue	('000)	89,452	89,452	89,452	89,452
Basic EPS	(sen)	(0.8)	0.4	(1.1)	1.1

The weighted average number of ordinary shares in issue is determined using the number of days that the specific shares are outstanding in proportion to the total number of days in the corresponding period.

(b) *Diluted EPS*

There is no dilution of share capital for the Group.

BY ORDER OF THE BOARD
Ooi Ean Hoon (MAICSA 7057078)
Angelina Cheah Gaik Suan (MAICSA 7035272)
Company Secretaries
Kuala Lumpur
Dated: 27 August 2007