

BCT TECHNOLOGY BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2007 (UNAUDITED)

| | Unaudited | Audited |
|--|---|---|
| | As At End Of Current Quarter | As At Preceding Financial Year End |
| | 30/06/2007 | 31/12/2006 |
| | RM'000 | RM'000 |
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Equipment | 7,520 | 7,135 |
| Development costs | 6,639 | 5,077 |
| | <u>14,159</u> | <u>12,212</u> |
| CURRENT ASSETS | | |
| Inventories | 14,428 | 22,970 |
| Trade receivables | 17,048 | 38,042 |
| Other receivables, deposits and prepayments | 2,554 | 772 |
| Fixed deposit with a licensed bank | 2,287 | 5,546 |
| Cash and bank balances | 11,236 | 633 |
| | <u>47,553</u> | <u>67,963</u> |
| TOTAL ASSETS | <u>61,712</u> | <u>80,175</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the parent | | |
| Share capital | 12,196 | 12,196 |
| Share premium | 4,904 | 4,904 |
| Other reserves | 23 | 72 |
| Retained earnings | 25,125 | 18,859 |
| | <u>42,248</u> | <u>36,031</u> |
| Minority interest | - | - |
| | <u>42,248</u> | <u>36,031</u> |
| NON-CURRENT LIABILITIES | | |
| Borrowings | - | 453 |
| CURRENT LIABILITIES | | |
| Trade payables | 15,850 | 39,704 |
| Other payables and accruals | 2,587 | 3,022 |
| Amount owing to directors | 227 | - |
| Bank Borrowings | 800 | 965 |
| | <u>19,464</u> | <u>43,691</u> |
| TOTAL LIABILITIES | <u>19,464</u> | <u>44,144</u> |
| TOTAL EQUITY AND LIABILITIES | <u>61,712</u> | <u>80,175</u> |
| Net Assets Per Share (RM) | 0.35 | 0.30 |

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 31 December 2006 and the accompanying explanatory notes attached to the Interim Consolidated Financial Statements.

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007 (UNAUDITED)

| | Individual Quarter | | Cumulative Quarter | |
|---|----------------------------|---------------------------------------|----------------------|-------------------------------------|
| | Current Year Quarter Ended | Preceding Corresponding Quarter Ended | Current Year To Date | Preceding Year Corresponding Period |
| | 30/06/2007 RM'000 | 30/06/2006 RM'000 | 30/06/2007 RM'000 | 30/06/2006 RM'000 |
| Revenue | 11,663 | 6,927 | 20,976 | 14,024 |
| Cost of Sales | (6,201) | (3,603) | (10,520) | (7,297) |
| Other Income | 72 | 4 | 116 | 8 |
| Profit From Operations | 5,534 | 3,328 | 10,572 | 6,735 |
| Staff and Administrative Expenses | (1,853) | (913) | (3,604) | (1,810) |
| Other Operating Expenses | (923) | (263) | (1,596) | (671) |
| Finance Costs | (38) | (30) | (44) | (73) |
| Profit before tax | 2,720 | 2,122 | 5,328 | 4,181 |
| Exceptional Item | - | - | 938 | - |
| Income tax expenses | - | - | - | - |
| Profit for the period from continuing operations | 2,720 | 2,122 | 6,266 | 4,181 |
| Attributable to: | | | | |
| Equity holders of the parent | 2,720 | 2,122 | 6,266 | 4,181 |
| Minority Interest | - | - | - | - |
| | 2,720 | 2,122 | 6,266 | 4,181 |
| Weighted average number of shares in issue ('000) | 121,960 | 45,484 | 121,960 | 45,484 |
| Basic Earnings Per Share (sen) | 2.2 | 4.7 | 5.1 | 9.2 |
| Diluted Earnings Per Share (sen)^ | N/A | N/A | N/A | N/A |
| Dividend Per Share (sen) | N/A | N/A | N/A | N/A |

Notes:

^ No diluted earnings per share has been computed as the Group presently does not have any dilutive potential ordinary shares. The Group had established and implemented its ESOS II on 3 May 2006. However, no Options have been granted as of to date. As such the diluted earnings per share will only be computed upon granting of the ESOS II Options.

N/A: Not applicable

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2007 (UNAUDITED)

| | <u>Share Capital</u> | | | | | | Total |
|------------------------------------|------------------------|---------------|----------------------|--------------------------|-----------------------------------|--------------------------|--------------|
| | Ordinary shares | RCPS | Share Premium | Retained Earnings | Forex Exchange Translation | Negative Goodwill | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | |
| 6 months ended 30 June 2007 | | | | | | | |
| Balance at 1 January 2007 | 12,196 | - | 4,904 | 18,859 | 72 | - | 36,031 |
| Net profit for the period | - | - | - | 6,266 | - | - | 6,266 |
| Currency translation differences | - | - | - | - | (49) | - | (49) |
| Balance at 30 June 2007 | 12,196 | - | 4,904 | 25,125 | 23 | - | 42,248 |

| | <u>Share Capital</u> | | | | | | Total |
|------------------------------------|------------------------|---------------|----------------------|--------------------------|-----------------------------------|--------------------------|--------------|
| | Ordinary shares | RCPS | Share Premium | Retained Earnings | Forex Exchange Translation | Negative Goodwill | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | |
| 6 months ended 30 June 2006 | | | | | | | |
| Balance at 1 January 2006 | 378 | 450 | 4,050 | 5,997 | (87) | 2,531 | 13,319 |
| Effects of adopting: FRS 3 | - | - | - | 2,531 | - | (2,531) | - |
| Issue of shares | 4,500 | (450) | (4,050) | - | - | - | - |
| Net profit for the period | - | - | - | 4,181 | - | - | 4,181 |
| Currency translation differences | - | - | - | - | 142 | - | 142 |
| Balance at 30 June 2006 | 4,878 | - | - | 12,709 | 55 | - | 17,642 |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 31 December 2006 and the accompanying explanatory notes attached to the Interim Consolidated Financial Statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2007 (UNAUDITED)

| | 6 months ended 30/06/2007 RM'000 | 6 months ended 30/06/2006 RM'000 |
|---|---|---|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 6,266 | 4,181 |
| Adjustments for non cash items:- | | |
| Allowance for doubtful debts | - | - |
| Allowance for impairment on goodwill | - | - |
| Amortisation of development cost | 150 | 151 |
| Development cost written off | - | - |
| Depreciation of plant and equipment | 538 | 22 |
| Interest expenses | 44 | 73 |
| Interest income | (116) | (9) |
| Operating profit before working capital changes | <u>6,882</u> | <u>4,418</u> |
| Decrease/(Increase) in inventories | 8,542 | (97) |
| Decrease in trade and other receivables | 19,212 | 2,377 |
| Decrease in trade and other payables | (24,062) | (3,309) |
| Cash generated from operating activities | <u>10,574</u> | <u>3,389</u> |
| Interest expenses | (44) | (73) |
| Interest income | 116 | 9 |
| Net cash generated from operating activities | <u>10,646</u> | <u>3,325</u> |
| CASH FLOW FOR INVESTING ACTIVITIES | | |
| Purchase of plant and equipment | (923) | (1,119) |
| Acquisition of a subsidiary | - | - |
| Development costs paid | (1,712) | (1,357) |
| Net cash used in investing activities | <u>(2,635)</u> | <u>(2,476)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Net drawdown of bank borrowings | (618) | 1,511 |
| Repayment of finance lease obligations | - | - |
| Proceeds from issue of Share Capital | - | - |
| Proceeds from issue of Redeemable Convertible Preference Share | - | - |
| Listing Expenses | - | - |
| Net cash generated from financing activities | <u>(618)</u> | <u>1,511</u> |
| Net increase in cash and cash equivalents | 7,393 | 2,360 |
| Foreign exchange translation differences | (49) | 139 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD | <u>6,179</u> | <u>(326)</u> |
| CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD | <u>13,523</u> | <u>2,173</u> |
| Break down of cash and cash equivalent at end of the financial period | | |
| Bank overdraft | - | (1,202) |
| Cash and bank | 2,287 | 2,374 |
| Fixed deposits | <u>11,236</u> | <u>1,001</u> |
| | <u>13,523</u> | <u>2,173</u> |