

**MALAYSIA BUILDING SOCIETY BERHAD**  
**(Company No. 9417-K)**  
**(Incorporated in Malaysia)**

Quarterly report on consolidated financial statements for the third quarter ended 30 September 2005. The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Operating revenue	56,289	52,967	165,533	140,108
Interest income	51,327	49,050	148,076	137,377
Interest costs	(35,956)	(35,918)	(112,093)	(106,448)
Net interest income	15,371	13,132	35,983	30,929
Net income from Islamic Banking Operations	2,216	1,336	5,519	1,505
	17,587	14,468	41,502	32,434
Other operating income/(expenses)	1,548	9,836	11,069	9,185
	19,135	24,304	52,571	41,619
Reversal of (property development costs)	(286)	(705)	(560)	7,894
Cost of inventories sold	-	-	(1,695)	-
Other operating expenses	(13,977)	(13,343)	(37,524)	(30,084)
Operating profit before allowance	4,872	10,256	12,792	19,429
Recovery of / (Provision) for losses on loans and financing	365	(3,893)	6,800	1,227
Profit before taxation	5,237	6,363	19,592	20,656
Taxation	18	19	55	(954)
Profit after taxation	5,255	6,382	19,647	19,702
Minority interest	-	-	-	-
Profit for the period	5,255	6,382	19,647	19,702
Earnings per share (sen)				
Basic	1.56	1.89	5.82	5.83
Diluted	0.81	0.97	3.00	3.01

**The condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2004 and the accompanying explanatory notes attached to the interim financial statements.**

**MALAYSIA BUILDING SOCIETY BERHAD**  
**(Company No. 9417-K)**  
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**CONDENSED CONSOLIDATED BALANCE SHEETS**

	<b>As at</b> <b>30 September 2005</b> <b>(RM'000)</b>	<b>As at</b> <b>31 December 2004</b> <b>(RM'000)</b>
<b>ASSETS</b>		
Cash and short term funds	118,369	200,692
Trade receivables	9,617	11,498
Other receivables	84,544	111,062
Inventories of completed properties	26,478	28,187
Property development cost	10,336	4,864
Loans, advances and financing	4,359,381	3,788,299
Other investments	949	1,400
Land held for property development	219,692	237,491
Property, plant and equipment	137,251	142,280
Deferred tax assets	10,000	10,000
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<b>TOTAL ASSETS</b>	<b>4,976,617</b>	<b>4,535,773</b>
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<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Bank borrowings	802,621	1,212,077
Deposits from customers	3,140,613	2,125,484
Other borrowings	317,419	496,037
Trade payables	28,629	30,141
Other payables	250,581	237,886
Property development costs	262	460
Provision for taxation	19,582	18,633
Recourse obligation on loans sold to Cagamas Berhad	16,423	17,676
Deferred tax liabilities	28,170	28,225
Redeemable convertible preference shares	12,192	21,155
Provision for liabilities	3,592	6,248
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<b>TOTAL LIABILITIES</b>	<b>4,620,084</b>	<b>4,194,022</b>
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**MALAYSIA BUILDING SOCIETY BERHAD**  
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**CONDENSED CONSOLIDATED BALANCE SHEETS (CONTD.)**

	<b>As at 30 September 2005 (RM'000)</b>	<b>As at 31 December 2004 (RM'000)</b>
Share capital	502,856	502,856
Reserves	(146,323)	(161,105)
Shareholders' equity	<u>356,533</u>	<u>341,751</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u><u>4,976,617</u></u>	<u><u>4,535,773</u></u>

**The condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2004 and the accompanying explanatory notes attached to the interim financial statements.**

**MALAYSIA BUILDING SOCIETY BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FINANCIAL PERIOD ENDED 30 SEPTEMBER 2005**

	← Share Capital →		← Non Distributable →				Capital Redemption Reserve - Redeemable Cumulative Preference Shares RM'000	Accumulated Losses RM'000	Total RM'000
	Ordinary Shares RM'000	Redeemable Cumulative Preference Shares RM'000	Share Premium RM'000	Capital Reserve RM'000	Capital Reserve RM'000	Capital Reserve RM'000			
At 1.1.2004	337,856	165,000	652,695	17,838	12,486	(884,101)	301,774		
Net profit for the 9 months period	-	-	-	-	-	19,702	19,702		
At 30.9.2004	337,856	165,000	652,695	17,838	12,486	(864,399)	321,476		
At 1.1.2005	337,856	165,000	660,922	17,838	12,486	(852,351)	341,751		
Net profit for the 9 months period	-	-	-	-	-	19,647	19,647		
Dividend	-	-	-	-	-	(4,865)	(4,865)		
At 30.9.2005	337,856	165,000	660,922	17,838	12,486	(837,569)	356,533		

The condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statement for the year ended 31 December 2004 and the accompanying explanatory notes attached to the interim financial statements.

**MALAYSIA BUILDING SOCIETY BERHAD**  
**(Company No. 9417-K)**  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>9 months ended 30 September 2005 RM'000</b>	<b>9 months ended 30 September 2004 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	19,592	20,656
Adjustments for :		
Interest/income-in-suspense, net of recoveries and write offs	291,822	286,059
Provision for doubtful debts of other receivables	9,766	4,322
Depreciation	6,084	5,479
Provision for doubtful debts of trade receivables	504	4,535
Reversal of impairment loss on land held for property development	(691)	(5,793)
Recovery of provision for losses on loans and financing	(6,800)	(1,227)
Write down of inventories of completed properties	14	797
Reversal of provision for anticipated losses on projects	(176)	(3,074)
Gain on disposal of land held for property development	(1,700)	-
Gain on disposal of property, plant and equipment	(150)	(6,053)
Impairment loss on other investments	451	-
Liquidated damages payable	18	1,711
Operating profit before working capital changes	318,734	307,412
Increase in loans receivables	(855,707)	(683,400)
Decrease/(Increase) in inventories of completed properties	1,695	(177)
Decrease in receivables	17,732	21,681
(Decrease)/Increase in bank borrowings	(409,456)	209,642
Increase in deposits received	1,015,129	430,051
Increase/(Decrease) in payables	11,724	(8,262)
Decrease in provision for liabilities	(2,674)	-
Increase in property development costs	(5,494)	(10,280)
Cash generated from operations	91,683	266,667
Real Property Gains Tax paid	-	(297)
Income tax recovered	949	-
Net cash generated from operating activities	92,632	266,370

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**MALAYSIA BUILDING SOCIETY BERHAD**  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONTD.)**

	<b>9 months ended 30 September 2005 RM'000</b>	<b>9 months ended 30 September 2004 RM'000</b>
<b>Cash flows from investing activities</b>		
Land held for property development	690	1,783
Purchase of property, plant and equipment	(1,055)	(5,696)
Proceeds from disposal of land held for property development	19,500	-
Proceeds from disposal of property, plant and equipment	150	6,146
Net cash generated from/(used in) investing activities	19,285	2,233
<b>Cash flows from financing activities</b>		
Repayment of other borrowings	(178,618)	(254,220)
Recourse obligation on loans sold to Cagamas repaid	(1,253)	(46,835)
Refund of staff benefits	-	30
Dividend paid - Redeemable Convertible Preference Shares	(9,504)	-
Dividend paid - Ordinary Shares	(4,865)	-
Net cash used in financing activities	(194,240)	(301,025)
Net (decrease)/increase in cash and cash equivalents	(82,323)	(32,422)
Cash and cash equivalents at beginning of financial period	200,692	159,675
Cash and cash equivalents at end of financial period	118,369	127,253
Cash and cash equivalents comprise :		
Cash and short term funds	118,369	127,253

**The condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2004 and the accompanying notes attached to the interim financial statements.**

**EXPLANATORY NOTES FOR FINANCIAL  
QUARTER ENDED 30 SEPTEMBER 2005**

**FRS 134 - DISCLOSURE REQUIREMENTS PER PARAGRAPH 16**

**A1. Accounting Policies and Method of Computation**

The interim report is prepared in accordance with FRS 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's financial statements for the financial year ended 31 December 2004.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the financial statements for the year ended 31 December 2004.

**A2. Audit Report of Preceding Financial Year Ended 31 December 2004**

The audit report on the financial statements of the preceding year was not qualified.

**A3. Seasonality and Cyclicity of Operation**

The Group's operations have not been affected by any seasonal or cyclical factors.

**A4. Exceptional or Unusual Items**

There were no items of exceptional or unusual nature that affects the assets, liabilities, equity, net income or cash flows of the Group in the current financial period.

**A5. Changes in Estimates of Amounts Reported Previously**

There were no changes in estimates of amounts reported in prior financial years that may have a material effect in the current financial period.

**A6. Debts and Equity Securities**

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period.

**A7. Dividend Paid**

Dividends on Redeemable Convertible Preference Shares ("RCPS")

Dividends on RCPS of 4 sen less tax of 28% on 165,000,000 RCPS shares for both years ended 31 December 2003 and 2004, amounted to RM9.504 million were paid on 28 February 2005. (2004 : NIL).

Dividend on Ordinary Shares

First and final dividend in respect of the financial year ended 31 December 2004 of 2 sen less tax of 28% on 337,856,727 ordinary shares, amounted to RM4.865 million was paid on 17 June 2005. (2004 : NIL).

**A8. Segmental Information on Revenue and Results**

	Financing RM'000	Property Development RM'000	Letting of Real Property RM 000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<b>3 months ended 30 September 2005</b>						
External sales	48,031	(82)	124	-	8,216	56,289
Intersegment sales	1,684	-	1,425	-	(3,109)	-
<b>Total revenue</b>	<b>49,715</b>	<b>(82)</b>	<b>1,549</b>	<b>-</b>	<b>5,107</b>	<b>56,289</b>
Segment results	4,285	(8,854)	(3,875)	(16)	13,697	5,237
Unallocated income (net of cost)						-
<b>Profit from operations</b>						<b>5,237</b>
<b>3 months ended 30 September 2004</b>						
External sales	40,010	2	1,604	-	11,351	52,967
Intersegment sales	6,024	-	1,366	-	(7,390)	-
<b>Total revenue</b>	<b>46,034</b>	<b>2</b>	<b>2,970</b>	<b>-</b>	<b>3,961</b>	<b>52,967</b>
Segment result	2,589	(1,613)	(3,961)	(19)	9,367	6,363
Unallocated income (net of cost)						-
<b>Profit from operations</b>						<b>6,363</b>



	Financing RM'000	Property Development RM'000	Letting of Real Property RM 000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<b>9 months ended 30th September 2005</b>						
External sales	139,034	1,707	866	-	23,926	165,533
Intersegment sales	5,705	-	4,137	-	(9,842)	-
<b>Total revenue</b>	<b>144,739</b>	<b>1,707</b>	<b>5,003</b>	<b>-</b>	<b>14,084</b>	<b>165,533</b>
Segment results	19,647	(21,071)	(11,532)	(54)	32,602	19,592
Unallocated income (net of cost)						-
<b>Profit from operations</b>						<b>19,592</b>
<b>9 months ended 30th September 2004</b>						
External sales	122,258	(6,018)	4,845	(21)	19,044	140,108
Intersegment sales	10,851	-	4,279	-	(15,130)	-
<b>Total revenue</b>	<b>133,109</b>	<b>(6,018)</b>	<b>9,124</b>	<b>(21)</b>	<b>3,914</b>	<b>140,108</b>
Segment result	14,778	(10,508)	(10,755)	(114)	27,255	20,656
Unallocated income (net of cost)						-
<b>Loss from operations</b>						<b>20,656</b>

Segmental reporting is not analysed by geographical locations due to the fact that the Group's activities are pre-dominantly in Malaysia.

#### **A9. Valuation of Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

#### **A10. Subsequent Events**

As at the date of this report, there were no material events occurring subsequent to the end of the current financial period that have not been reflected in the financial statements for the current financial period.

#### **A11. Changes in the Composition of the Group**

There were no major changes in the composition of the Group for the current financial period.

## A12. Contingent Liabilities

- A. In a civil suit brought against the Company, a Borrower is claiming the amount of RM400.31 million for an alleged breach of the loan agreement committed by the Company.

The Borrower's Appeal against the Court's decision to dismiss their application for Summary Judgement was dismissed on 11 March 2004. The Trial for this matter which was fixed on 15 August 2005 was adjourned to 18 October 2005 for Mention. The suit was subsequently withdrawn by the Borrower on 12 September 2005.

- B. In a civil suit brought against the Company, a Borrower is claiming RM1.48 million for an alleged breach of the loan agreement committed by the Company.

Since the Borrower has to date been wound up by a third party the Company had on 23 June 2005 filed an Application to Strike Out the Borrower's suit. Pursuant to the said Application, the Court had on 9 November 2005 struck out the Borrower's suit against the Company.

- C. In two (2) civil suits brought against the Company, a contractor appointed by one of the Company's borrower is claiming damages amounting to RM2.54 million for an alleged breach of contract. The suits were filed in the High Court at Kuala Lumpur as well as in the High Court at Kota Bharu.

The contractor's application for Summary Judgement has been dismissed by the Court. Both suits have since been consolidated and will be heard in the High Court at Kuala Lumpur.

This matter is now fixed for Trial on 30 to 31 January 2006.

- D. Upon default by a borrower, the Company has proceeded with foreclosure proceedings to foreclose the property provided by a third party chargor as security for the facilities granted to the borrower. In turn the third party chargor has proceeded with a legal suit against the Company for an alleged breach of the terms relating to the Charge. The matter is now fixed for Mention on 21 November 2005.

In respect of the foreclosure proceeding, the Company has to date obtained an Order for Sale. An Auction was held on 28 October 2003 but was aborted by the Land Office as there were no bidders. The owner has filed a motion in Court to set aside the Order for Sale. The motion was subsequently dismissed by the Court on 22 April 2004. The Land Office has yet to fix a fresh auction date for the sale of the property.

- E. In a civil suit brought against the Company, a borrower is claiming damages amounting to RM134.4 million for the alleged breach of the Loan Agreement.

This matter is now fixed for Trial from 3 to 7 April 2006.

- F. Upon the winding up of an unrelated company, the creditor of the said unrelated company has named a subsidiary of the Company [the "Company's subsidiary"] as well as 3 other defendants as co-conspirators in a scheme to sell off a major asset of the unrelated company and thereafter allowing the said unrelated company to be wound up in order to defeat the said creditor's claim for payment from the unrelated company amounting to RM4.8 million for goods sold and delivered.

In the said suit, the creditor claims that by virtue of such conspiracy all the defendants including the Company's subsidiary are deemed to be constructive trustees of the creditor and are either jointly or severally liable to account to the said creditor for the amount of RM4.8 million. The Company's subsidiary has to date filed an Application to Strike Out the creditor's suit. The said Application is fixed for Hearing on 1 December 2005.

- G. A Borrower of the Company has instituted a civil suit against the Company and its subsidiary for an alleged breach of the terms of a Joint Venture Agreement entered into by the Borrower, the Company and the said subsidiary. The Borrower has sought for judgement in the sum of RM52.007 million being loss of profits from the Project contemplated under the Joint Venture Agreement, the sum of RM0.015 million being part payment for the purchase of several parcels of Project Land and the sum of RM4.931 million being the compensation paid by the State Government directly to the Company for the acquisition of a portion of the Project Land, damages for losses suffered by the Plaintiff as a result of claims made by third parties, consultants and contractors involved in the Joint Venture Project, damages for loss of reputation, interests and costs.

The Court had on 28 September 2005 struck out the Borrower's suit against the Company. However, the Borrower still has an existing suit against the Company's subsidiary.

- H. A Borrower of the Company has instituted a civil suit against the Company and its subsidiary for an alleged breach of the terms of an undated Joint Venture Agreement entered into by the Borrower, the Company and the said subsidiary. As against the Company, the Borrower has sought for damages to be assessed by the Court, a true account status of the loan and a change in the interest rate. As against the Company's subsidiary, the Borrower has sought for damages to be assessed by the Court, specific performance to compel the Company's Subsidiary to complete the development project mentioned in the said suit within a reasonable time, specific performance to compel the Company's Subsidiary to ensure premium payments are made to the authorities for the conditions for the use of the project land mentioned in the said suit is converted to buildings for the purpose of housing, interest and costs.

The Company and its subsidiary have filed their appearance on 25 January 2005 and 26 January 2005 respectively. The Company and its subsidiary have both filed their Defenses on 18 April 2005. The Borrower has yet to take any further steps in relation to the proceedings since the filing of the said Defenses.

- I. A former Borrower of the Company has instituted a civil suit against the Company for an alleged breach of an agreement to grant loan facilities to the former Borrower for their commercial development project. The Company had terminated the said facilities due to the former Borrower's breach of the said agreement and had thereafter sold the loan asset to Pengurusan Danaharta Nasional Berhad. Notwithstanding the same, the former Borrower now alleges that the Company had failed to fully disburse the said facilities pursuant to the terms of the Facility Agreement. As such the former Borrower has sought for damages amounting to RM18.011 million as at 31 July 2002, interest on a monthly rest basis at the rate of 2% per annum above Malayan Banking Berhad's Base Lending Rate on the sum of RM18.011 million from 1 August 2002 until the date of full settlement, penalty interest of 1% per annum on the sum of RM18.011 million from 1 August 2002 until the date of full settlement with regard to the liabilities incurred by the former Borrower in relation to the said commercial development project or in the alternative to the abovementioned reliefs, damages amounting to RM18.240 million being the total development expenditure incurred by the former Borrower, damages amounting to RM43.311 million for loss of profit or alternatively damages to be assessed by the Court as well as costs.

The Company has filed its appearance in Court on 26 July 2005 and had on 5 September 2005 served and filed their Defense against the former Borrower. The former Borrower has yet to take any further steps in relation to the proceedings since the filing of the Company's Defense.

- J. As at 30 September 2005, the Group and the Company have obligations to secure due performance by third parties amounting to RM292 million.

Except for paragraph A which claim has been withdrawn as at to date, the Directors after obtaining advice from the Group's solicitors, are of the opinion that the Group has reasonably good cases in respect of claims B, C, D, E, F, G, H and I against the Group, as such no provision has been made in the financial statements.

### **A13. Inventories of Completed Properties**

The Group has made a provision for write down of RM0.014 million in respect of inventories of completed properties during the current financial period.

**A14. Acquisition/Disposal of Property, Plant and Equipment**

	9 months ended 30/9/2005	
	RM'000	
Acquisition	1,054	
Disposal	686	

**A15. Significant Related Party Transactions**

	Second Quarter		Cumulative	
	Current Quarter 30/9/2005 RM'000	Preceding Year Quarter 30/9/2004 RM'000	Current Year to Date 30/9/2005 RM'000	Preceding Year to Date 30/9/2004 RM'000
Transactions with Employees Provident Fund Board, the Ultimate holding body				
Interest on loans	3,345	7,153	10,646	24,598
Rental paid	66	91	208	273
Agency fees received	6	6	20	23

**A16. Capital Commitments**

The amount of commitments for the purchase of property, plant and equipment not provided in the financial statements as at 30 September 2005 is as follow:

	RM'000
Data Processing System and Equipment:-	
Approved and contracted for	250
Approved but not contracted for	250

**A17. Impairment Loss**

The Group has recognised a reversal of impairment loss on land held for property development of RM0.691 million and an impairment loss on other investments of RM0.451 million for the current financial period.

**BMSB LISTING REQUIREMENTS – DISCLOSURE REQUIREMENTS AS PART A OF APPENDIX 9B**

**B1. Comparison with the Preceding Quarter's Results**

The Group's profit after taxation of RM5.255 million for the third quarter of 2005 was lower than the preceding quarter's of RM11.033 million. This was mainly due to lower net interest income and other operating income, which was partly set off by higher recovery for losses on loans and financing.

**B2. Review of Performance**

The Group's profit after taxation for the nine (9) months ended 30 September 2005 of RM19.647 million was comparable to the corresponding period of RM19.702 million.

**B3. Prospect**

Barring unforeseen circumstances, the Company and the Group are expected to be able to sustain its performance for the remaining periods in the financial year ending 31 December 2005. The Company will continue to focus on its core mortgage and related retail businesses while emphasising on fee based income and corporate loan recovery.

**B4. Variance from Profit Forecast and Profit Guarantee**

There was no profit forecast or profit guarantee issued for the financial year ending 31 December 2005.

**B5. Taxation**

	Second Quarter		Cumulative	
	Current Quarter 30/9/2005 RM'000	Preceding Year Quarter 30/9/2004 RM'000	Current Year to Date 30/9/2005 RM'000	Preceding Year to Date 30/9/2004 RM'000
Income tax:				
Current year taxation	-	-	-	-
Deferred taxation	(18)	(19)	(55)	657
Under/(over) provision in prior years	-	-	-	-
Real Property Gains Tax	-	-	-	297
	<u>(18)</u>	<u>(19)</u>	<u>(55)</u>	<u>954</u>

The effective income tax rate for the current financial period was lower than statutory income tax rate principally due to utilisation of unabsorbed tax losses and capital allowances, income not subject to tax and crystallisation of deferred tax liability on fair value adjustment.

**B6. Profit/(loss) on Sale of Unquoted Investments and/or Properties**

There was no sale of investments. Gain on disposal of properties recognised for the current financial period amounted to RM1.850 million.

**B7. Purchase and Sale of Quoted Securities**

There were no dealings in quoted securities for the current financial period.

Investments in quoted securities as at 30 September 2005 are as follows:

	At cost and nominal value As at 30.9.2005 RM'000	At carrying amount As at 30.9.2005 RM'000	At market value As at 30.9.2005 RM'000
Quoted shares	1,294	842	652
Quoted warrants	106	106	231
Quoted Irredeemable Convertible Unsecured Loan Stocks ("ICULS")	8,180	-	1,963
	<u>9,580</u>	<u>948</u>	<u>2,846</u>

**B8. Status of Corporate Proposals**

There were no corporate proposals announced.

**B9. Borrowings and Debts**

Borrowings and debts securities at 30 September 2005 for the Group are as follows:-

	RM'000
Short term borrowings	
Secured	317,419
Unsecured	802,621
	<u>1,120,040</u>
Long term borrowings	
Secured	-
Unsecured	-
	<u>-</u>

All borrowings and debts securities are dominated in Ringgit Malaysia.

**B10. Off Balance Sheet Financial Instruments**

The Group does not have any off balance sheet financial instruments.

**B11. Material Litigation**

The details of the pending material litigation are as per note A12 above.

**B12. Dividends Declared**

No dividend has been declared for the current financial period (2004: NIL).

**B13. Earnings Per Share**

Basic

Basic earnings per share is calculated by dividing the net profit attributable to shareholders for the financial period by the weighted average number of ordinary shares in issue during the financial period.

	Second Quarter		Cumulative	
	Current Quarter 30/9/2005	Preceding Year Quarter 30/9/2004	Current Year to Date 30/9/2005	Preceding Year to Date 30/9/2004
Net profit attributable to shareholders (RM'000)	5,254	6,382	19,646	19,702
Number of ordinary shares ('000)	337,856	337,856	337,856	337,856
Basic earnings per Share (sen)	<u>1.56</u>	<u>1.89</u>	<u>5.81</u>	<u>5.83</u>

Diluted

For the purpose of calculating diluted earnings per share, the net profit for the financial period and the weighted average number of ordinary shares in issue during the financial period have been adjusted for the dilutive effects of all potential ordinary shares i.e. Redeemable Convertible Preference Shares ("RCPS") and the exercise of Employee Share Option Scheme ("ESOS").



	Second Quarter		Cumulative	
	Current Quarter 30/9/2005	Preceding Year Quarter 30/9/2004	Current Year to Date 30/9/2005	Preceding Year to Date 30/9/2004
Net profit attributable to shareholders (RM'000)	5,254	6,382	19,646	19,702
Effect of finance cost on RCPS (RM'000)	132	124	395	373
Adjusted net profit attributable to Shareholders (RM'000)	5,386	6,506	20,041	20,075
Weighted average of number of shares in issue ('000)	337,856	337,856	337,856	337,856
Adjusted for assumed conversion of RCPS ( '000)	330,000	330,000	330,000	330,000
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	667,857	667,857	667,857	667,857
Diluted earnings per share (sen)	0.81	0.97	3.00	3.01

For the current financial period and the corresponding financial period in 2004, ESOS' exercise price is above the average market price of the Company's shares. Therefore, the assumed conversion of the ESOS is not included in the computation of diluted earnings per share as the assumed conversion is considered anti-dilutive.

#### **B14. Authorisation For Issue**

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 10 November 2005.

BY ORDER OF THE BOARD

Fariz Abdul Aziz  
COMPANY SECRETARY  
Kuala Lumpur  
10 November 2005