

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

Quarterly report on consolidated financial statements for the second quarter ended 30 June 2006.
The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended		6 months ended	
	30 June		30 June	
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
Operating revenue	80,159	65,348	144,842	109,244
Interest income	61,483	58,252	117,678	96,749
Interest costs	(39,315)	(36,898)	(75,099)	(76,137)
Net interest income	22,168	21,354	42,579	20,612
Net income from Islamic Banking Operations	2,146	1,536	4,222	3,303
	24,314	22,890	46,801	23,915
Other operating income	14,238	4,580	17,703	9,521
Total income	38,552	27,470	64,504	33,436
Reversal/(Charged) of property development costs	-	107	-	(274)
Cost of completed properties sold	(8,902)	(1,695)	(10,125)	(1,695)
Operating expenses	(4,164)	(13,272)	(18,261)	(23,547)
Operating profit before allowance	25,486	12,610	36,118	7,920
Recovery of/(Provision for) losses on loans and financing	(10,284)	(1,577)	(17,463)	6,435
Profit before taxation	15,202	11,033	18,655	14,355
Taxation	(172)	19	(154)	37
Profit after taxation	15,030	11,052	18,501	14,392
Minority interest	-	-	-	-
Profit for the year	15,030	11,052	18,501	14,392
Earnings per share (sen)				
Basic	4.45	3.27	5.48	4.26
Diluted	2.27	1.67	2.81	2.19

The condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

MALAYSIA BUILDING SOCIETY BERHAD
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CONDENSED CONSOLIDATED BALANCE SHEETS

	As at 30 June 2006 (RM'000)	As at 31 December 2005 (RM'000)
ASSETS		
Cash and short term funds	19,736	134,407
Trade receivables	27,627	26,078
Other receivables	119,065	111,072
Inventories	11,361	20,390
Loans, advances and financing	4,725,877	4,264,697
Other investments	43,620	43,598
Land held for property development	159,070	159,070
Property, plant and equipment	132,420	140,976
Deferred tax assets	20,000	20,000
TOTAL ASSETS	5,258,776	4,920,288
LIABILITIES AND SHAREHOLDERS' EQUITY		
Bank borrowings	708,320	804,828
Deposits from customers	3,795,855	3,357,782
Other borrowings	225,031	250,033
Trade payables	15,957	15,699
Other payables	54,345	39,881
Provision for taxation	18,633	18,633
Recourse obligation on loans sold to Cagamas Berhad	15,247	16,068
Deferred tax liabilities	25,853	25,890
Redeemable convertible preference shares	7,968	12,192
Provision for liabilities	3,475	3,610
TOTAL LIABILITIES	4,870,684	4,544,616

(Contd.)

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CONDENSED CONSOLIDATED BALANCE SHEETS (CONTD.)

	As at 30 June 2006 (RM'000)	As at 31 December 2005 (RM'000)
Share capital	502,856	502,856
Reserves	(114,764)	(127,184)
Shareholders' equity	<u>388,092</u>	<u>375,672</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>5,258,776</u></u>	<u><u>4,920,288</u></u>

The condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2005 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 STATEMENT OF CHANGES IN EQUITY
FINANCIAL PERIOD ENDED 30 JUNE 2006

	← Share Capital →	→ ←	Non Distributable	→						
					Capital Redemption Reserve - Redeemable	Cumulative Preference Shares	Capital Reserve	Share Premium	Accumulated Losses	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1.1.2005	337,856	165,000	660,922	17,838	12,486	-	-	-	(852,351)	341,751
Net profit for the 6 months period	-	-	-	-	-	-	-	-	14,392	14,392
Dividend	-	-	-	-	-	-	-	-	(4,865)	(4,865)
At 30.6.2005	337,856	165,000	660,922	17,838	12,486	-	-	-	(842,824)	351,278
At 1.1.2006	337,856	165,000	660,922	17,838	12,486	-	-	-	(818,430)	375,672
Net profit for the 6 months period	-	-	-	-	-	-	-	-	18,501	18,501
Dividend	-	-	-	-	-	-	-	-	(6,081)	(6,081)
At 30.6.2006	337,856	165,000	660,922	17,838	12,486	-	-	-	(806,010)	388,092

The condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statement for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	6 months ended 30 June 2006 RM'000	6 months ended 30 June 2005 RM'000
Cash flows from operating activities		
Profit before taxation	18,655	14,355
Adjustments for :		
Depreciation	3,443	4,035
Gain on disposal of property, plant and equipment	(61)	-
Gain on disposal of land held for property development	-	(1,700)
Reversal of provision for anticipated losses on projects	-	(129)
(Reversal of) write down of inventories of completed properties	(1,688)	14
(Reversal of) impairment loss on investments in unquoted shares	(22)	452
Reversal of impairment loss on land held for property development	-	(694)
Provision for doubtful debts of other receivables	7,891	6,357
Provision for doubtful debts of trade receivables	-	504
Allowance for losses on loans and financing, net of reversals	17,463	(6,435)
Interest/income-in-suspense, net of recoveries and write offs	189,312	191,744
Liquidated damages payable	-	18
Operating profit before working capital changes	234,993	208,521
Increase in loans, advances and financing	(667,558)	(547,681)
Decrease in inventories	10,717	1,695
Increase in receivables	(17,432)	22,790
Decrease in bank borrowings	(96,508)	(219,838)
Increase in deposits from customers	438,073	643,251
Increase in payables	15,263	3,249
Decrease in provision for liabilities	(135)	(2,187)
(Increase)/Decrease in property development costs	-	(3,256)
Cash generated from operations	(82,587)	106,544
Income tax recovered	-	949
Real Property Gains Tax paid	(191)	
Net cash (used in)/generated from operating activities	(82,778)	107,493

(Contd.)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONTD.)

	6 months ended 30 June 2006 RM'000	6 months ended 30 June 2005 RM'000
Cash flows from investing activities		
Land held for property development	-	693
Purchase of property, plant and equipment	(424)	(137)
Proceeds from disposal of property, plant and equipment	5,200	-
Proceeds from disposal of land held for property development	-	19,500
Net cash generated from investing activities	4,776	20,056
Cash flows from financing activities		
Repayment of other borrowings	(25,002)	(162,987)
Recourse obligation on loans sold to Cagamas Berhad	(821)	(797)
Dividend paid - Redeemable Convertible Preference Shares	(4,765)	(9,504)
Dividend paid - ordinary shares	(6,081)	(4,865)
Net cash used in financing activities	(36,669)	(178,153)
Net (decrease)/increase in cash and cash equivalents	(114,671)	(50,604)
Cash and cash equivalents at beginning of financial year	134,407	200,692
Cash and cash equivalents at end of financial year	19,736	150,088
Cash and cash equivalents comprise :		
Cash and short term funds	19,736	150,088

The condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying notes attached to the interim financial statements.

MALAYSIA BUILDING SOCIETY BERHAD (Company No. 9417-K)

**EXPLANATORY NOTES FOR FINANCIAL
QUARTER ENDED 30 JUNE 2006**

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 2005.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2005 except for the adoption of the following new/revised Financial Reporting Standard ("FRS") effective for financial period beginning 1 January 2006:

FRS 2	Share-based payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The adoption of the above FRS does not have significant financial impact to the Group.

A2. Audit Report of Preceding Financial Year Ended 31 December 2005

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 year.

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 year.

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 year.

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 the year ended 31 December 2005, amounted to RM4.752 million were paid on 28 February 2006.

Dividend on Ordinary Shares

First and final dividend in respect of the financial year ended 31 December 2005 of 2.5 sen less tax of 28% on 337,856,727 ordinary shares, amounted to RM6.081 million was paid on 12 June 2006.

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 year that have not been reflected in the financial statements for the current financial year.

A11. Changes in the Composition of the Group

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

A12. Contingent Liabilities

- A. 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.

The matter is now fixed for Trial from 29 May to 2 June 2006 and from 19 November to 23 November 2006.

- B. 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 fixed for Decision on 25 June 2006 has been postponed to 7 August 2006 for mention.

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 fixed a date on 28 February 2006 to Auction the property which was again called off as there were no bidders. The Land Office has yet to fix a fresh auction date with respect to this matter.

- C. 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 further fixed for case management on 6 December 2006.

- D. 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 was dismissed by the High Court on 1 December 2005. The Company's subsidiary has to date filed a Notice of Appeal to the Court of Appeal against the said decision. The Court of Appeal has yet to fix a date for the Hearing of the Company's appeal. In the meantime, Case Management for this matter has been further fixed by the Court on 28 September 2006 due to change of solicitors by the Plaintiff.

- E. 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 Courts 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. The Borrower has yet to take any further steps in relation to the proceedings against the Company's subsidiary since the filing of the said Company's subsidiary's defense.

- F. 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.

Both 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.

The Company has to date filed an application to strike out the borrower's claim. The hearing date of the said application is further fixed on 15 August 2006.

- G. 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.

- H. Upon default by the Borrower, the Company has filed suit for recovery of loans outstanding together with interest and cost pursuant to a breach by the Borrower of the terms of the Loan Agreement entered into between the Company and the Borrower. In response to the same, the Borrower had served on the Company their Defense as well as a Counterclaim. The Counterclaim is premised upon their allegation that the Company has breached the terms of a Joint Venture Agreement entered into by the Company, the Borrower and the Company's subsidiary.

The Borrower has in its Counterclaim sought for the sum of RM52,007,000.00 being loss of profit from the project contemplated under the Joint Venture Agreement, the sum of RM14,682.36 being part payment for the purchase of several parcels of the project land, the sum of RM4,931,460.00 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 Borrower as a result of claims made by third parties, consultants and contractors involved in the joint venture project, damages for loss of reputation, the

cancellation/invalidation of the Charge and for the project land to be freed from restrictions and encumbrances by the Borrower; interest and cost.

As the Borrower's Counterclaim principally revolves around and duplicates their earlier claim against the Company and the Company's subsidiary whereby the Borrower's claim against the Company was subsequently dismissed by the Court on 28 September 2005, the Company has instructed their solicitors to strike out the Borrower's Counterclaim for being frivolous, vexatious and an abuse of the Court process. The hearing date for the Company application to strike out the Borrower's Counterclaim is yet to be fixed by the Court.

- H. A former Borrower of the Company has instituted a civil suit against the Company for an alleged breach of loan agreement. The former Borrower alleges that the Company had failed to fully disburse the said facilities pursuant to the terms of the loan agreement.

As such the former Borrower has sought for damages amounting to RM5.0 million or any other sum as determined by the Court, interest at the rate of 8% on the sum of RM5.0 million or any other sum as determined by the Court from the date of the Writs of Summon until the date of full realisation, as well as costs.

The Company has filed its appearance in Court on 3 July 2006. Currently, MBSB is filing its defense and no hearing date has been fixed yet.

- I. As at 30 June 2006, the Group and the Company have obligations to secure due performance by third parties amounting to RM286 million.

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 A, B, C, D, E, F, G, H and I against the Group, as such no provision has been made in the financial statements.

A13. Acquisition/Disposal of Property, Plant and Equipment

	6 months ended 30/06/2006 RM'000
Acquisition	
Equipment and machine	37
Computer Hardware and software	2
Equipment and furniture	62
Building improvements	166
Plant and machinery	48
Motor vehicles	109
	<hr/> 424
Disposal	
Freehold land	5,046
Buildings	93
	<hr/> 5,139

A14. Significant Related Party Transactions

	Second Quarter		Cumulative	
	Current quarter 30/6/2006 RM'000	Preceding quarter 31/3/2006 RM'000	Current Year to Date 30/6/2006 RM'000	Preceding Year To Date 30/6/2005 RM'000
Transactions with Employees Provident Fund Board, the Ultimate holding body				
Interest on loans	2,587	2,665	5,252	7,300
Rental paid	75	74	149	163
Agency fees received	5	6	11	13

A15. Capital Commitments

During the period ended 30 June 2006, there were no commitments for the purchase of property, plant and equipment other than those stated below:

	RM'000
Data Processing System and Equipment:-	
Approved and contracted for	19
Approved but not contracted for	4,835
	<u>4,854</u>

A16. Impairment Loss

The Group has recognised a reversal of impairment loss on inventories of completed properties of RM1.688 million and a reversal of impairment loss on other investments of RM0.022 million for the current financial year.

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 RM15.030 million for the second quarter of 2006 was higher than the preceding quarter's of RM3.471 million. This was mainly due to higher net interest income and lower operating expenses which was partly off set by higher provisions for losses on loans and financing.

B2. Review of Performance

The Group's profit after taxation for the six (6) months ended 30 June 2006 of RM18.501 million was higher than the previous year's corresponding period result of RM14.392 million. This was mainly due to higher net interest income and lower operating expenses which was partly set off by higher provisions for losses on loans and financing.

B3. Prospect

Barring unforeseen circumstances, the Company and the Group are expected to improve further for the financial year ending 31 December 2006. The Company remain 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 2006.

B5. Taxation

	Second Quarter		Cumulative	
	Current Quarter	Preceding year quarter	Current Year to Date	Preceding Year to Date
	30/6/2006	31/3/2006	30/6/2006	30/6/2005
	RM'000	RM'000	RM'000	RM'000
Income tax:				
Current year taxation	-	-	-	-
Deferred taxation	(19)	(18)	(37)	(37)
Real Property Gains Tax	191	-	191	-
	<u>172</u>	<u>(18)</u>	<u>154</u>	<u>(37)</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 year amounted to RM0.061 million.

B7. Purchase and Sale of Quoted Securities

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

Investments in quoted securities as at 30 June 2006 are as follows:

	At cost and nominal value 30.6.2006 RM'000	At carrying amount 30.6.2006 RM'000	At market value 30.6.2006 RM'000
Quoted shares	1,294	512	512
Quoted warrants	106	38	38
	<u>1,400</u>	<u>550</u>	<u>550</u>

B8. Status of Corporate Proposals

No corporate proposals were announced.

B9. Borrowings and Debts

Borrowings and debts securities at 30 June 2006 for the Group are as follows:-

	RM'000
Short term borrowings	
Secured	50,004
Unsecured	708,320
	<u>758,324</u>
Long term borrowings	
Secured	175,027
Unsecured	-
	<u>175,027</u>

All borrowings and debts securities are denominated 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.

B13. Earnings Per Share

Basic

Basic earning 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 year.

	Second Quarter		Cumulative	
	Current Quarter 30/6/2006 RM'000	Preceding year quarter 31/3/2006 RM'000	Current Year to Date 30/6/2006 RM'000	Preceding Year to Date 30/6/2005 RM'000
Net profit attributable to shareholders (RM'000)	15,030	3,471	18,501	14,392
Number of ordinary shares ('000)	337,856	337,856	337,856	337,856
Basic earnings per share (sen)	<u>4.45</u>	<u>1.03</u>	<u>5.48</u>	<u>4.26</u>

Diluted

For the purpose of calculating diluted earnings per share, the net profit for the financial year 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 30/6/2006 RM'000	Preceding 31/3/2006 RM'000	Current 30/6/2006 RM'000	Preceding 30/6/2005 RM'000
Net profit attributable to shareholders (RM'000)	<u>15,030</u>	<u>3,471</u>	<u>18,501</u>	<u>14,392</u>
Effect of finance cost on RCPS (RM'000)	<u>132</u>	<u>132</u>	<u>264</u>	<u>264</u>
Adjusted net profit attributable to Shareholders (RM'000)	<u>15,162</u>	<u>3,603</u>	<u>18,765</u>	<u>14,656</u>
Weighted average of number of shares in issue ('000)	<u>337,856</u>	<u>337,856</u>	<u>337,856</u>	<u>337,856</u>
Adjusted for assumed conversion of RCPS ('000)	<u>330,000</u>	<u>330,000</u>	<u>330,000</u>	<u>330,000</u>
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>667,857</u>	<u>667,857</u>	<u>667,857</u>	<u>667,857</u>
Diluted earnings per share (sen)	<u>2.27</u>	<u>0.54</u>	<u>2.81</u>	<u>2.19</u>

For the current financial year and the corresponding financial year 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 26 July 2006.

BY ORDER OF THE BOARD

Tang Yow Sai
COMPANY SECRETARY
Kuala Lumpur
27 July 2006