

Company name : WAH SEONG CORPORATION BERHAD (Company No. 495846-A)

Stock name : WASEONG

Financial Period Ended: 30 September 2006

Quarter : 3

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2006

CONDENSED CONSOLIDATED INCOME STATEMENTS

These figures have not been audited.

| PARTICULARS | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|--------------------|----------------|--------------------|----------------|
| | CURRENT | PRECEDING YEAR | CURRENT | PRECEDING YEAR |
| | QUARTER ENDED | CORRESPONDING | YEAR | CORRESPONDING |
| | 30/09/2006 | QUARTER ENDED | TO DATE ENDED | QUARTER ENDED |
| | RM'000 | 30/09/2005 | 30/09/2006 | 30/09/2005 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 370,083 | 396,471 | 1,158,541 | 848,296 |
| Cost of Sales | (311,809) | (318,967) | (961,317) | (682,722) |
| Gross Profit | <u>58,274</u> | <u>77,504</u> | <u>197,224</u> | <u>165,574</u> |
| Other operating income | 3,123 | 4,108 | 12,034 | 9,345 |
| Administrative Expenses | (32,106) | (28,384) | (91,423) | (58,038) |
| Selling and marketing expenses | (7,405) | (18,372) | (30,373) | (35,397) |
| Other expenses | (677) | (564) | (2,137) | (716) |
| Profit from operation | <u>21,209</u> | <u>34,292</u> | <u>85,325</u> | <u>80,768</u> |
| Impairment of goodwill and other assets | - | (250) | (29,429) | (750) |
| Finance costs | (6,576) | (5,383) | (18,805) | (12,799) |
| (Loss) / gain on disposal of investments | (24) | - | (29) | 9,100 |
| Share of (loss) / profit after tax and minority interest of associates | (622) | (157) | 2,005 | 14,512 |
| Share of profit after tax of jointly controlled entities | 6 | - | 86 | - |
| Profit before taxation | <u>13,993</u> | <u>28,502</u> | <u>39,153</u> | <u>90,831</u> |
| Income tax expense | (2,926) | (4,833) | (18,337) | (13,590) |
| Profit for the period | <u>11,067</u> | <u>23,669</u> | <u>20,816</u> | <u>77,241</u> |
| Attributable To: | | | | |
| - Equity holders of the parent | 12,985 | 15,698 | 13,184 | 53,646 |
| - Minority Interest | (1,918) | 7,971 | 7,632 | 23,595 |
| | <u>11,067</u> | <u>23,669</u> | <u>20,816</u> | <u>77,241</u> |
| Earnings per share | | | | |
| - Basic earnings per share (sen) | 3.4 | 4.5 | 3.4 | 15.3 |
| - Diluted earnings per share (sen) | 2.5 | 3.3 | 2.6 | 11.2 |

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2005)

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Quarter : 3

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2006

CONDENSED CONSOLIDATED BALANCE SHEET

These figures have not been audited

| PARTICULARS | AS AT END OF | AUDITED |
|--|----------------------|--|
| | CURRENT QUARTER | AS AT END OF PRECEDING FINANCIAL YEAR ENDED |
| | 30/09/2006 RM'000 | 31/12/2005 RM'000 |
| ASSETS | | |
| Non-Current assets | | |
| Property, plant and equipment | 426,982 | 399,001 |
| Investment in associated company | 25,228 | 25,577 |
| Investment in jointly controlled entities | 387 | 343 |
| Goodwill on consolidation | 148,595 | 152,827 |
| Intangible Assets | 3,487 | 4,288 |
| Other investments | 3,547 | 3,462 |
| Deferred tax assets | 5,026 | 4,759 |
| | <u>613,252</u> | <u>590,257</u> |
| Current assets | | |
| - Inventories | 224,968 | 180,388 |
| - Trade debtors | 373,325 | 364,482 |
| - Gross amount due from customers | 22,410 | 17,959 |
| - Other debtors, deposits and prepayments | 75,557 | 53,742 |
| - Tax Recoverable | 5,757 | 6,339 |
| - Amount owing by associated companies | 2,627 | 7,993 |
| - Amount owing by jointly controlled entities | 988 | 1,078 |
| - Fixed deposit with licensed banks | 32,296 | 46,428 |
| - Cash and bank balances | 73,250 | 79,369 |
| | <u>811,178</u> | <u>757,778</u> |
| TOTAL ASSETS | <u>1,424,430</u> | <u>1,348,035</u> |
| EQUITY AND LIABILITIES | | |
| Share capital | 197,736 | 189,775 |
| Reserves | | |
| - Share premium | 57,864 | 47,477 |
| - Exchange Translation reserves | (1,068) | 409 |
| - Capital reserve | 66 | 38 |
| - Retained profit | 98,308 | 97,898 |
| Equity attributable to equity holders of the parent | <u>352,906</u> | <u>335,597</u> |
| Minority interests | 140,949 | 152,697 |
| Total equity | <u>493,855</u> | <u>488,294</u> |
| Non-current liabilities | | |
| Irredeemable Convertible Unsecured Loan Stock | 64,061 | 68,709 |
| Long term borrowings | 208,595 | 119,186 |
| Other long term liabilities | 25,769 | 26,904 |
| Deferred tax liabilities | 12,322 | 12,640 |
| | <u>310,747</u> | <u>227,439</u> |
| Current liabilities | | |
| - Gross amount due to customers | 76,363 | 14,875 |
| - Trade payables | 165,218 | 154,836 |
| - Other creditors and accruals | 169,382 | 184,640 |
| - Amount owing to associated companies | 528 | - |
| - Amount owing to jointly controlled entity | 276 | - |
| - Bank borrowings | 185,941 | 265,758 |
| - Provision for taxation | 22,120 | 12,193 |
| | <u>619,828</u> | <u>632,302</u> |
| Total Liabilities | <u>930,575</u> | <u>859,741</u> |
| TOTAL EQUITY AND LIABILITIES | <u>1,424,430</u> | <u>1,348,035</u> |

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2005)

Company name : WAH SEONG CORPORATION BERHAD (Company No. 495846-A)
 Stock name : WASEONG
 Financial Period Ended: 30 September 2006
 Quarter : 3
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2006

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

These figures have not been audited

| | ← Attributable to Equity Holders of the Parent → | | | | | | Total RM'000 | Minority Interest RM'000 | Total Equity RM'000 |
|---|--|----------------------------|---|------------------------------|------------------------------|----------------|-----------------|--------------------------------|---------------------------|
| | ← Non-Distributable → | | | Distributable | | | | | |
| | Share capital RM'000 | Share premium RM'000 | Exchange Translation reserves RM'000 | Capital reserve RM'000 | Retained profit RM'000 | | | | |
| Balance as at 1 January 2005 | 172,523 | 94 | (343) | - | 50,743 | 223,017 | 92,815 | 315,832 | |
| Issuance of share capital | | | | | | | | | |
| - conversion of ICULS | 1 | - | - | - | - | 1 | - | 1 | |
| - private placements | 11,000 | 30,030 | - | - | - | 41,030 | - | 41,030 | |
| - other issue of shares | - | - | - | 35 | - | 35 | 175 | 210 | |
| - share issue expenses | - | (129) | - | - | - | (129) | - | (129) | |
| Exchange translation differences | - | - | 1,179 | - | - | 1,179 | 1,717 | 2,896 | |
| Effect of acquisition in subsidiary | - | - | - | - | - | - | 42,023 | 42,023 | |
| Acquisition of shares from minority interest | - | - | - | - | - | - | (20,987) | (20,987) | |
| Effect on divestment of equity in subsidiary | - | - | - | - | - | - | 26,540 | 26,540 | |
| Net profit for the period | - | - | - | - | 53,646 | 53,646 | 23,595 | 77,241 | |
| Dividends | - | - | - | - | (7,691) | (7,691) | (152) | (7,843) | |
| Balance as at 30 September 2005 | 183,524 | 29,995 | 836 | 35 | 96,698 | 311,088 | 165,726 | 476,814 | |
| Balance as at 1 January 2006 | 189,775 | 47,477 | 409 | 38 | 97,898 | 335,597 | 152,697 | 488,294 | |
| Issuance of share capital | | | | | | | | | |
| - conversion of ICULS | 4,648 | - | - | - | - | 4,648 | - | 4,648 | |
| - pursuant to ESOS | 3,313 | 10,406 | - | - | - | 13,719 | - | 13,719 | |
| - other issue of shares | - | - | - | - | - | - | 550 | 550 | |
| - share issue expenses | - | (19) | - | - | - | (19) | - | (19) | |
| Exchange translation differences | - | - | (1,477) | - | - | (1,477) | (2,017) | (3,494) | |
| Gain on deemed disposal of interest in a subsidiary company | - | - | - | 28 | - | 28 | (28) | - | |
| Effect of acquisition in subsidiary | - | - | - | - | - | - | 192 | 192 | |
| Acquisition of shares from minority interest | - | - | - | - | - | - | (3,733) | (3,733) | |
| Net profit for the period | - | - | - | - | 13,184 | 13,184 | 7,632 | 20,816 | |
| Dividends | - | - | - | - | (12,774) | (12,774) | (14,344) | (27,118) | |
| Balance as at 30 September 2006 | 197,736 | 57,864 | (1,068) | 66 | 98,308 | 352,906 | 140,949 | 493,855 | |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2005)

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 Financial Period Ended: 30 September 2006
 Quarter : 3
 These figures have not been audited

| CONDENSED CONSOLIDATED CASH FLOW STATEMENT | 9 months ended 30/9/2006 RM'000 | 9 months ended 30/9/2005 RM'000 |
|---|---------------------------------------|---------------------------------------|
| Cash Flow From Operating Activities | | |
| Net profit before tax | 39,153 | 90,831 |
| Adjustment for :- | | |
| Non cash items | 61,867 | 4,980 |
| Non-operating items | 16,718 | 2,881 |
| Operating Profit Before Working Capital Changes | 117,738 | 98,692 |
| Net changes in current assets | (130,862) | (202,418) |
| Net changes in current liabilities | 77,061 | 110,851 |
| Cash generated from operations | 63,937 | 7,125 |
| Interest Received | 2,046 | 818 |
| Interest paid | (18,429) | (12,799) |
| Taxation paid (net) | (8,177) | (6,850) |
| Net Cash Flow Generated from / (Used In) Operating Activities | 39,377 | (11,706) |
| Cash Flow From Investing Activities | | |
| Purchases of Properties, Plants and Equipments | (60,400) | (38,754) |
| Proceeds from disposal of property, plant and equipment | 4,829 | 2,129 |
| Proceeds from disposal of associate company | 276 | - |
| Proceeds from disposal of quoted investments | 89 | - |
| Proceeds from disposal of jointly controlled entity | 11 | - |
| Purchase of quoted investments | (165) | - |
| Acquisition of shares held by minorities | - | (36,478) |
| Proceed from divestment of equity in subsidiary | - | 35,640 |
| Dividend received | 32 | 16,082 |
| Acquisition of business | (6,701) | (1,596) |
| Purchase of subsidiary, net of cash | 258 | (122,966) |
| Purchases of additional shares in existing subsidiary companies | (1,412) | - |
| Payment of retention sum on investment cost | (333) | - |
| Net Cash Flow Used In Investing Activities | (63,516) | (145,943) |
| Cash Flow From Financing Activities | | |
| Proceed from issue of shares | - | 40,903 |
| Proceed from issue of shares pursuant to ESOS | 13,700 | - |
| Subscription of ordinary shares from minority shareholders | 550 | 211 |
| Drawdown of Commercial Paper | - | 70,000 |
| Repayment of Commercial Paper | - | (70,000) |
| Net proceed from bank borrowings | 8,237 | 145,772 |
| Dividends paid to shareholders of the company | (8,503) | (3,728) |
| Dividends paid to minority interest | (776) | (152) |
| Net Cash Flow From Financing Activities | 13,208 | 183,006 |
| Net (decrease) / increase in Cash and Cash Equivalents | (10,931) | 25,357 |
| Currency Translation Differences | (1,315) | 2,917 |
| Cash and Cash Equivalents at Beginning of Period | 107,308 | 57,319 |
| Cash and Cash Equivalents at End of Period | 95,062 | 85,593 |
| Cash and Cash equivalents at the end of the financial period comprise the following: | | |
| Cash and Bank Balances | 73,250 | 73,280 |
| Fixed deposit with licensed bank (net of deposit pledged for banking facilities) | 28,332 | 25,909 |
| Bank overdraft | (6,520) | (13,596) |
| | 95,062 | 85,593 |

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2005)