

PART A: EXPLANATORY NOTES AS PER MASB 26

A1. Basis of preparation of interim financial reports

The interim financial statements are prepared in accordance with the requirements of the Financial Reporting Standards ("FRS") 134: "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Bursa Malaysia Securities Berhad ("Bursa Malaysia")'s Listing Requirements and should be read in conjunction with the Company's annual audited financial statements for the year ended 31st December 2005.

Up to 31 December 2005, the Group's consolidated financial statements were prepared in accordance with MASB Standards with effective dates before 1 January 2006 except for FRS2: Shared-based payments and FRS 127: Consolidated and separate financial statements, which were early adopted by the Group in 2005.

The accounting policies and presentation adopted for the interim financial statements are consistent with those adopted in the annual financial statements for the year ended 31st December 2005 except for the adoption of the remaining new/revised FRSs with effective date for financial period beginning 1 January 2006. The Group has also elected not to adopt the following FRSs prior to their effective dates as stipulated by MASB:

FRS 117: Leases

FRS 124: Related Party Disclosures

FRS 139: Financial Instruments: Recognition and measurement

The principal effects of the changes from adoption of new accounting policies & accounting estimates are disclosed as follows:

a) FRS 101: Presentation of Financial statements
The revised FRS 101 requires that minority interest be presented within total equity in the consolidated balance sheet, and as an allocation of the net profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. This change in presentation of minority interest has been effected in the Group's consolidated financial statements for financial year ended 31 December 2005 as a result of early adoption of FRS 127. Comparatives to the consolidated income statements and statement of changes in equity have also been restated to conform to the current period's presentation.

b) FRS 116: Property, Plant and Equipment
In accordance with FRS 116, asset residual values, useful lives and depreciation methods will be assessed at each financial year end and adjusted if necessary. If the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, the asset's depreciation charge is zero unless and until its residual value subsequently decreases to an amount below the asset's carrying amount.

The Group revised the residual values and useful lives of certain plant and machinery, vessel and motor vehicles with effect from 1 January 2006. The revisions were accounted for as a change in accounting estimates and as a result, the depreciation charges for the nine-month period have been reduced by RM5 million.

c) FRS 140: Investment property
FRS 140 requires that properties held for rental yields or capital appreciation rather than being used by the Group be separately classified as investment properties. The Group has now separately classified certain properties previously included in property, plant and equipment as investment properties at cost less accumulated depreciation and impairment.

As a result of the adoption of FRS 140, comparative amounts as at 31 December 2005 have been reclassified as follows:

	As previously stated RM'000	FRS 140 (note A1(d)) RM'000	As restated RM'000
At 31 December 2005			
Property, plant and equipment	332,876	(1,926)	330,950
Investment property, included in property, plant & equipment	<u>-</u>	<u>1,926</u>	<u>1,926</u>

A2. Qualification of financial statements

The preceding year annual financial statements were not subject to any qualification.

A3. Seasonal and cyclical factors

The group's results were not materially affected by any major seasonal or cyclical factors.

A4. Unusual and extraordinary items

There were no exceptional and/or extraordinary items affecting assets, liabilities, equity, net income or cash during the current quarter under review.

A5. Material changes in estimates

There were no material changes in estimates reported in the current quarter under review except for what have been disclosed in note A1(b).

A6. Issuance and repayment of debt and equity securities

Save as disclosed below, there were no issuances, cancellations, share buy-backs, resale of shares bought back or repayment of debt and equity securities:

(a) Employee Share Options Scheme ("ESOS")

During the nine-month period ended 30th September 2006, the issued and paid-up share capital of the Company was increased from 992,076,700 ordinary shares of RM0.10 each to 1,004,759,600 ordinary shares of RM0.10 each by the issuance of 12,682,900 new ordinary shares of RM0.10 each pursuant to the exercise of options granted under the ESOS at the option prices between RM0.17 and RM1.12 per ordinary share.

(b) Treasury Shares

On 28 June 2006, the shareholders of the Company renewed their approval for the Company's plan to repurchase its own ordinary shares. For the nine-month period ended 30th September 2006, the Company repurchased 3,265,000 of its issued ordinary shares from the open market at an average price of RM0.98 per share. The total consideration paid for the repurchase including transaction costs was RM 3,265,113 and this was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.

A7. Dividends Paid

The final dividend of 6% less income tax of 28% amounting to RM4,328,142 in respect of the financial year ended 31st December 2005 was paid on 25th September, 2006.

A8. Segmental Information

Division	3rd Quarter ended 30-Sep-06		Nine-Months ended 30-Sep-06	
	Revenue	Profit before tax	Revenue	Profit before tax
	RM`000	RM`000	RM`000	RM`000
Oilfield Services	318,315	26,015	851,886	69,730
Engineering	84,284	9,448	188,974	26,284
Production Enhancement	10,265	834	29,140	2,207
Energy Logistics	17,069	12,745	33,691	23,958
Investment Holding	746	(15,568)	2,385	(35,139)
Total	<u>430,679</u>	<u>33,474</u>	<u>1,106,076</u>	<u>87,040</u>

Division	3rd Quarter ended 30-Sep-05		Nine-Months ended 30-Sep-05	
	Revenue	Profit before tax	Revenue	Profit before tax
	RM`000	RM`000	RM`000	RM`000
Oilfield Services	222,729	18,789	592,228	46,189
Engineering	48,623	7,148	144,594	19,262
Production Enhancement	6,444	235	16,888	944
Energy Logistics	7,015	1,135	17,922	2,457
Investment Holding	0	(4,645)	0	(8,909)
Total	<u>284,811</u>	<u>22,662</u>	<u>771,632</u>	<u>59,943</u>

The presentation of segmental information has been reclassified for the preceding quarters to better reflect the grouping of business activities.

A9. Valuation of property, plant and equipment

There is no revaluation of property, plant and equipment, as the group does not adopt a revaluation policy on property, plant and equipment.

A10. Material events subsequent to the balance sheet date

There was no material event subsequent to the balance sheet date that has not been reflected in this condensed financial statement.

A11. Changes in composition of the group

(a) On 10 July 2006, the Group acquired 13,260,000 ordinary shares of RM1.00 each in MTrans Transportation Systems Sdn Bhd ("MTTS"), representing 51% equity interest in MTTS for a total cash purchase consideration of RM30 million. MTTS is an unlisted company incorporated in Malaysia which is involved in the manufacturing and assembling of buses and monorails.

- (b) On 31 August 2006, a subsidiary of the Company, Sosma Sdn Bhd acquired 4,800 ordinary shares representing 80% of the issued and paid up share capital of Anticor Chimie S.A. for a cash consideration of €600,000.
- (c) On 8 September 2006, KMC Oiltools KMC Oiltools Bermuda Limited ("KMCOB"), a 92.5% owned effective subsidiary of the Company, acquired 2 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital in KMCOB Capital Berhad for a cash consideration of RM2.00.
- (d) On 25 September 2006, the Company acquired 2 ordinary shares of ordinary RM1.00 each, representing the entire issued and paid-up share capital in Scomi Chemicals Sdn Bhd for a cash consideration of RM2.00. Scomi Chemicals is currently dormant and is intended to be an investment holding company for businesses relating to (i) processing, distributing and trading in chemical products; and (ii) provision of waste management services and the fabrication, repair, cleaning and maintenance of related equipment and facilities.

A12. Contingent liabilities

Details of contingent liabilities of the Group as at 30th September 2006 are as follows:

	RM `000
Guarantee relating to borrowings of associates	63
Various legal claims of subsidiaries	968
	<u>1,031</u>

A13. Capital and operating lease commitments

Authorised capital commitments not provided for in the financial statements as at 30th September 2006:

	Approved and contracted for RM `000	Approved but not contracted for RM `000
Acquisition of shares in KMC Oiltools Bermuda Limited (Put and Call Option)		
- Derrick Acquisition	36,925	-
- Pianca Acquisition *	24,880	-
Acquisition of shares in Anticor Chimie S.A. (Put and Call Option) **	710	-
Property	146	1,194
Plant and Machinery	28,344	27,225
Office Equipment, Furniture and Fittings	1,848	5,417
Motor Vehicles	6,735	33,700
Total	<u>99,588</u>	<u>67,536</u>

* This is the minimum amount stated as payable to Mr Pianca under the Put & Call agreement in the event of certain events, such as death, occurring before the exercise dates. If the events do not occur, the actual amount payable is based on a stated formula tied to profits of the KMC Oiltools Bermuda Limited and KMC Oiltools Overseas (M) Limited.

** This is the minimum payment of €150,000 as stated in the Put & Call Agreement to acquire the remaining balance of 20% shareholding in Anticor Chimie S.A. in three tranches. Further details are provided under note B7(b).

Operating lease commitments:

Future minimum lease rental payable	Due within 1 year	Due within 1 & 5 years	Due after 5 years
Property	6,426	10,450	5,555
Plant and Machinery	442	508	213
Others	399	1,245	11
Total	7,267	12,203	5,779

A14. Related Party Transactions

The followings are the significant related party transactions:

	3rd Quarter ended 30-Sep-06 RM'000	Nine-months ended 30-Sep-06 RM'000
<i>Transactions with substantial shareholder of a subsidiary</i>		
- trade purchases	44,721	102,694
<i>Transactions with companies whereby a Director has interest</i>		
- chartering of marine vessels	4,387	8,679
<i>Transactions with an associated company</i>		
- management fee charged	500	1,500

PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

B1. Review of performance for the quarter ended 30th September 2006

B1 should be read in conjunction with A8 above.

The group recorded turnover of RM430.7 million for the quarter ended 30th September 2006, compared to RM284.8 million for the corresponding quarter in 2005, with approximately 74% of the turnover contributed by its Oilfield Services Division.

The group registered a net profit of RM23.3 million during the quarter against RM16.0 million in the corresponding quarter.

The Oilfield Services Division generated revenue of RM318.1 million for the quarter ended 30th September 2006. There was an increase of RM95.6 million as compared to the corresponding quarter of RM222.7 million for the preceding year mainly due to the increase in drilling fluids and drilling waste management activities.

The Engineering Division recorded a RM35.7 million increase in its revenue as compared to corresponding quarter. The increase was contributed mainly by the Machine Shop operations arising principally from some large orders from customers in the Middle East and acquisition of MTTS.

The Energy Logistics Division recorded an increase of RM10.1 million in its revenue, mainly contributed from three new contracts.

B2. Variation of results against preceding quarter

The group achieved a turnover of RM430.7 million for the current quarter ended 30th September 2006 compared to RM348.9 million in the preceding quarter ended 30th June 2006.

The group achieved a net profit of RM23.3 million for the current quarter ended 30th September 2006 compared to RM20.0 million in the preceding quarter ended 30th June 2006.

In comparison to the preceding quarter, revenue and net profit for the current quarter were higher by 23.4% and 16.5% respectively primarily due to increase contributions from all divisions.

B3. Current year prospects

The **Oilfield Services Division** is actively participating in bids and tenders as an integrated service provider of drilling waste management and drilling fluids. The main thrust will be to maximise the benefit of the infrastructure and market presence in 35 countries in order to increase market share in drilling fluids. In addition, the group will be aiming to take advantage of the increasing trend towards integrated services to boost the drilling waste management business. The Oilfield Services Division has secured major contracts in Asia as well as in Venezuela for the provision of drilling waste management and for drilling fluids. The growth in the overseas business has been very encouraging. With our worldwide operation servicing various customers, we have broadened our customer base and we have mitigated the risk of relying on a few major customers.

The **Engineering Division** via Scomi Engineering Bhd had acquired 51% of MTrans Transportation Systems Sdn Bhd from Kiara Kilau Sdn Bhd, a company with technology capabilities to produce public transportation vehicles such as buses and monorails. The acquisition will enable the division to increase its logistics engineering product range and to extend its market coverage regionally. Furthermore, the engineering division will also be able to increase its fabrication capacity to better facilitate its participation in various projects. The expansion plans for Labuan and Singapore will provide new capacity to fulfill the demand for Machine Shop Services. The commencement of the KTMB workshop in Klang in early August 2006 will contribute positively to the division's overall results.

The **Production Enhancement Division** is currently a small contributor to the group's performance. Nonetheless, this business area is expected to provide the next channel of growth for Scomi Group Bhd. Scomi Group Bhd is currently working together with National Tank Company to provide technology for a gas separation process and has recently been awarded a project for the provision of an Acid Gas Removal System. National Tank Company was incorporated in Delaware, United States of America. The production chemical aspect of the business deals with the supply of chemicals, which are essential elements in crude oil and gas production. Further, it also supplies chemicals for the protection of oil & gas production facilities against corrosion, scaling and bacteria growth. On 31 August 2006, Scomi Group Bhd completed the 80% acquisition of Anticor for a cash consideration of RM2,817,570. With the acquisition, Scomi Group Bhd will benefit from Anticor's strength in research and development and will gain access to new markets and range of specialized products in relation to the production chemicals business. The division's expansion into the gas separation process and the increased network for the marketing of chemical products are expected to contribute positively to this division's growth and the overall results.

The **Energy Logistics Division's** main focus are Marine Logistics and Offshore Marine Support Services in the South East Asia and Middle East regions. For the Marine Logistics, whilst the main activities continue to remain in Indonesian market, it has embarked on its first transshipment business in Malaysia via the carrying of bulk coal for Tenaga Fuel Services Sdn Bhd ("Tenaga"). The contract for Tenaga is for duration of 3 years (with an option to extend for another 2 years) and the first shipment was completed in October 2006. The division has also deployed 2 sets of tugs and barges to cater for transportation requirement of construction materials in the Middle East. The Offshore Marine Support Services will continue to focus on the South East Asia and Middle East markets as the solid demand of offshore vessels continue to increase on the back of increased exploration and production activities. For the Malaysian market, the division expects to complete the acquisition of 2 vessels in Q4, to operate on long term charters.

Whilst the initiatives mentioned above are expected to contribute positively to the growth of the Group, the earnings for Q4 will be affected by the one-off costs associated with the proposed internal restructuring of the Group, proposed refinancing and proposed listing of KMC Oiltools Bermuda Ltd as disclosed in Note B7(a).

B4. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Sep-06 RM`000	Preceding Year Quarter 30-Sep-05 RM`000	Current Year Quarter 30-Sep-06 RM`000	Preceding Year Quarter 30-Sep-05 RM`000
Current tax:				
Malaysian income tax	1,182	433	2,106	1,831
Foreign tax	5,021	4,290	14,675	10,533
	<u>6,203</u>	<u>4,723</u>	<u>16,781</u>	<u>12,364</u>
(Over)/Underprovision of Malaysian income tax in prior years	(350)	6	(205)	(313)
	<u>5,853</u>	<u>4,729</u>	<u>16,576</u>	<u>12,051</u>
Deferred tax	206	47	588	(335)
Total income tax expense	<u>6,059</u>	<u>4,776</u>	<u>17,164</u>	<u>11,716</u>

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group is as follows: -

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Sep-06 %	Preceding Year Quarter 30-Sep-05 %	Current Year Quarter 30-Sep-06 %	Preceding Year Quarter 30-Sep-05 %
Malaysian statutory tax rate	28	28	28	28
Tax effects of:				
- income not subject to tax	(9)	(5)	(6)	(7)
- different tax rates in other countries	(8)	0	(4)	1
- under/(over) provision in respect of previous years	(1)	1	-	(2)
- unrecognised tax loss/unabsorbed capital allowance	(1)	(4)	(3)	(4)
- expenses not deductible for tax purposes	11	1	8	4
- share of associate's tax	(2)	-	(3)	-
Effective tax rate	<u>18</u>	<u>21</u>	<u>20</u>	<u>20</u>

B5. Unquoted investments and/or properties

There were no disposals of unquoted investments or properties during the period under review.

B6. Quoted and marketable investments

Details of investments in quoted securities as at the reporting date are as follows:

	RM`000
Total investments at cost	7,363
Total investments at market value	7,363

B7. Status of corporate proposal

Scomi Group Berhad

(a) Proposed Internal Restructuring of the Group, Proposed Refinancing and Proposed Listing of KMC Oiltools Bermuda Limited ("KMCOB") on The Singapore Exchange Securities Trading Limited ("SGX-ST").

On 9th August 2006, the Company announced the followings:

1) Proposed Internal Restructuring and Proposed Refinancing

The Proposed Internal Restructuring involves the restructuring of certain subsidiaries of the Company as follows:

- (a) Proposed transfer of 500,000 ordinary shares of RM1.00 each representing the entire issued and paid-up ordinary share capital in Sosma Sdn Bhd ("Sosma") held by Kota Minerals & Chemicals Sdn Bhd ("KMCSB") to the Company ("Proposed Sosma Transfer");
- (b) Proposed transfer of the following shares in KMCOB held by KMCSB to the Company ("Proposed KMCOB Transfer"):
 - (i) 10,512,364 ordinary shares of USD1.00 each in KMCOB ("KMCOB Ordinary Shares") representing 100% of the issued and paid-up ordinary share capital of KMCOB;
 - (ii) 876,633 "A" preference shares of USD1.00 each in KMCOB ("KMCOB Preference Shares");
 - (iii) 10,000,000 "B" KMCOB Preference Shares; and
 - (iv) 20,740 "C" KMCOB Preference Shares

The above shareholdings include the remaining 793,683 KMCOB Ordinary Shares, 74,917 "A" KMCOB Preference Shares, 943,750 "B" KMCOB Preference Shares and 3,454 "C" KMCOB Preference Shares ("Shares") which are proposed to be acquired from Derrick Corporation ("Derrick"). Pursuant to a put and call agreement between SCOMI and Derrick dated 30 January 2004 (as supplemented by an agreement dated 5 April 2005), SCOMI can acquire the remaining Shares from Derrick in April 2007. However, SCOMI proposes to accelerate the exercise of the option and to acquire the remaining Shares from Derrick as part of the Proposed Internal Restructuring ("Proposed Derrick Acceleration").

On 20 September 2006, Derrick had agreed to the proposed amendment to allow the period of exercising the Tranche Three option to be accelerated to the period commencing on 1 September 2006 and ending 30 April 2007;

- (c) Proposed transfer of 8,082,000 ordinary shares of RM1.00 each representing the entire ordinary share capital in KMCSB held by SCOMI to KMCOB

- ("Proposed KMCSB Transfer"); and
- (d) Proposed transfer by KMCSB to KMCOB of the followings:
- (i) 100,000 ordinary shares of RM1.00 each representing the entire ordinary share capital in OBM Terminal Sdn Bhd ("OBMT") ("Proposed OBMT Transfer");
 - (ii) 51 ordinary shares of RM1.00 each representing 51% of the ordinary share capital in KMC All Star Chemicals Sdn Bhd ("KMCAS") ("Proposed KMCAS Transfer");
 - (iii) 200,000 ordinary shares of RM1.00 each representing the entire ordinary share capital in Kota Barite Sdn Bhd ("KBSB") ("Proposed KBSB Transfer");
 - (iv) 1,230,000 ordinary shares of RM1.00 each representing the entire ordinary share capital in Kota Minerals & Chemicals (Kemaman) Sdn Bhd ("KMCK") ("Proposed KMCK Transfer"); and
 - (v) 1 ordinary share of RM1.00 each representing the entire ordinary share capital in KMC Oiltools Overseas (M) Limited ("KMCOM") ("Proposed KMCOM Transfer")

On 19 October 2006, the Company obtained the approval of the holders of SCOMI's existing RM500 million nominal value of Medium Term Notes ("SGB Note Holders") for the Proposed Internal Restructuring and Proposed Listing (per item (3) below).

On 6 November 2006, the Company obtained the approval of the Foreign Investment Committee for the Proposed Internal Restructuring.

The Proposed Internal Restructuring is to be undertaken in conjunction with the following Proposed Refinancing.

2) Proposed Refinancing

KMCOB Capital Berhad ("KCB"), a wholly owned subsidiary of KMC Oiltools Bermuda Limited ("KMCOB") (which in turn is a 92.5% subsidiary of SCOMI) proposed to undertake an issuance of up to RM630 million nominal value Murabahah Notes ("Proposed Murabahah Notes").

On 4 October 2006, the Securities Commission ("SC") had approved the Proposed Murabahah Notes subject to certain terms and conditions.

On 19 October 2006, the Company had obtained the approval of the SGB Note Holders for the Proposed Murabahah Notes.

The proceeds from the Proposed Murabahah Notes shall be utilised to settle inter-company advances, repayment of bank borrowings as well as for working capital and future capital expenditure requirements.

3) Proposed Listing

Upon completion of the Proposed Internal Restructuring and Proposed Refinancing, the Board of SCOMI proposes to undertake a listing of KMCOB on SGX-ST ("Proposed Listing"). At this juncture, the Proposed Listing is envisaged to comprise, amongst others, the following:

- (a) a Singapore and global offering of shares in KMCOB (or via a special purpose vehicle to be incorporated which will hold the interest in KMCOB ("Newco")) by way of public offer to the public in Singapore and placements to professional, institutional and/or other investors in Singapore and overseas (which may include an offer for sale by SCOMI to its shareholders)

("Proposed Public Offering"); and

- (b) the offering will be a combination of new shares offered for subscription and existing shares offered for sale.

The proposed structure of the Proposed Listing, including the issue price and the size of the Proposed Public Offering and the number of new shares in KMCOB/Newco to be issued, is subject to approvals by the relevant authorities/parties and the final approval of the Board of Directors of KMCOB.

On 19 October 2006, the Company obtained the Securities Commission ("SC")'s approval for the proposed dilution of SCOMI's equity interest in KMCOB pursuant to the Proposed Listing.

(b) Acquisition of Anticor Chime S.A("Anticor"), France

On 31 August 2006, the Company entered into 2 Share Sale Agreements to acquire the entire issued and paid up capital of Anticor. The first Share Sale Agreement ("1st SSA") is in respect of the acquisition of 4,800 ordinary shares representing 80% of the issued and paid up share capital of Anticor ("80% Acquisition"), and the second Share Sale Agreement ("2nd SSA") is in respect of the acquisition of 1,200 ordinary shares representing the remaining 20% of the issued and paid up share capital of Anticor ("20% Acquisition").

The 80% Acquisition was completed on 31 August 2006 for a cash consideration of €600,000.

Under the 2nd SSA, the 20% Acquisition will be completed in 3 tranches for a total of €150,000 in cash, plus an amount to be calculated based on Anticor's profit after tax for the 3 financial periods ending 30 June 2007, 30 June 2008 and 30 June 2009.

(c) Joint Venture between KMC Oiltools Bermuda Limited and Enercon Nigeria Limited

The Company announced that pursuant to the JVA between KMCOB and Enercon dated 30 June 2006, a joint venture company, Titan Tubulars Nigeria Limited, has been incorporated on 21st September 2006.

Scomi Engineering Bhd

(a) Utilisation of Proceeds from Renounceable Rights Issue

On 20 January 2006, Scomi Engineering Bhd ("SEB") allotted and issued 57,552,000 new ordinary shares of RM1.00 each at an issue price of RM1.20 per share pursuant to the Right Issue. The cash proceeds from this issue amounted to RM69,062,400.

The proceeds were utilised as follows:-

	RM '000
Gross proceeds	69,062
Settlement of creditors pursuant to the composite scheme of arrangement	(14,918)
Expenses in relation to the corporate exercise	(4,365)
Working capital for business expansion	(42,619)
Balance as at 30 September 2006	<u>7,160</u>

(b) Settlement of OMS Oilfield Services Pte Ltd ("OPL") Intercompany Receivable

On 21 September 2006, on behalf of Scomi Engineering Bhd, CIMB Investment Bank Berhad ("CIMB") made an application to the SC for an extension of time of six (6) months from 15 December 2006 to 15 June 2007 for the settlement of the OPL Intercompany Receivable. The settlement of the OPL Intercompany Receivable is a condition pursuant to the earlier acquisition by Scomi Engineering Bhd of the entire equity interests in OPL and OMS Oilfield Holdings (Malaysia) Sdn Bhd from KMCOB and KMC Oiltools (Cayman) Ltd respectively, effectively 92.5% subsidiaries of Scomi Group Bhd ("SGB"). An earlier extension of time had been granted by the SC for a period up to one (1) year from the date of completion of the acquisitions (being 15 December 2005).

The SC had via its letter dated 9 October 2006 approved the proposed time extension.

B8. Group borrowings (Secured)

The group borrowings as at the end of the reporting period are as follows:

	RM`000
Short term borrowings	213,980
Long term borrowings	<u>879,486</u>
Total	<u>1,093,466</u>

The group borrowings are denominated in the following currencies:

	RM`000
Ringgit Malaysia	562,154
US Dollar	492,415
Sterling Pound	21,576
Canadian Dollar	14,624
Singapore Dollar	81
Others	<u>2,616</u>
Total	<u>1,093,466</u>

B9. Off balance sheet financial instruments

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

B10. Change in material litigation

Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material adverse effect on the financial position of the Company or any of its subsidiaries and the Board does not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or any of its subsidiaries.

B11. Earnings per share

	Individual Quarter		Cumulative Quarter	
	30-Sep-06	30-Sep-05	30-Sep-06	30-Sep-05
Basic earnings per share				
Net profit attributable to shareholders (RM'000)	23,313	16,008	59,393	42,153
Weighted average number of shares in issue (RM'000)	1,002,142	990,329	996,965	966,475
Basic earnings per share (sen)	2.33	1.62	5.96	4.36
Diluted earnings per share				
Net profit attributable to shareholders (RM`000)	23,313	16,008	59,393	42,153
Weighted average number of shares in issue (RM'000)	1,002,142	990,329	996,965	966,475
Dilutive effect of unexercised share option (RM'000)	26,809	49,673	26,812	48,474
	1,028,951	1,040,002	1,023,777	1,014,949
Diluted earnings per share (sen)	2.27	1.54	5.80	4.15