



**SALCON BERHAD** (Company No: 593796-T)  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS  
AS AT 30 JUNE 2007**

	30/06/2007 RM'000	31/12/2006 RM'000
<b>Assets</b>		
Property, plant and equipment	143,746	120,492
Goodwill	11,239	11,239
Prepaid lease payments	14,807	15,423
Investment properties	2,318	2,318
Investment in associates	58,542	55,440
Other investments	11,079	11,079
Deferred tax assets	6,421	6,421
<b>Total non-current assets</b>	<b>248,152</b>	<b>222,412</b>
Prepaid lease payments	514	527
Receivables, deposits and prepayments	76,026	87,208
Inventories	1,708	1,457
Current tax assets	-	2,089
Cash and cash equivalents	122,127	22,196
<b>Total current assets</b>	<b>200,375</b>	<b>113,477</b>
<b>Total assets</b>	<b>448,527</b>	<b>335,889</b>
<b>Equity</b>		
Share capital	212,600	106,023
Reserves	30,453	19,005
Accumulated losses	(12,093)	(12,281)
<b>Total equity attributable to shareholders of the Company</b>	<b>230,960</b>	<b>112,747</b>
<b>Minority interests</b>	<b>38,549</b>	<b>37,735</b>
<b>Total equity</b>	<b>269,509</b>	<b>150,482</b>
<b>Liabilities</b>		
Loans and borrowings	90,187	79,625
Payables and accruals	73,796	78,311
Loans and borrowings	14,135	26,806
Taxation	696	461
Dividend payable	204	204
<b>Total current liabilities</b>	<b>88,831</b>	<b>105,782</b>
<b>Total liabilities</b>	<b>179,018</b>	<b>185,407</b>
<b>Total equity and liabilities</b>	<b>448,527</b>	<b>335,889</b>
Net assets per share (RM)	<b>0.54</b>	<b>0.53</b>

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



**SALCON BERHAD** (Company No: 593796-T)  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR THE SECOND/CUMULATIVE QUARTER ENDED 30 JUNE 2007**

	Individual Quarter		Cumulative Quarter	
	<b>Current Year Quarter</b>	Preceding Year Corresponding Quarter	<b>Current Year ToDate</b>	Preceding Year Corresponding Period
	<b>30/06/2007 RM'000</b>	30/06/2006 RM'000	<b>30/06/2007 RM'000</b>	30/06/2006 RM'000
<b>Revenue</b>	<b>28,284</b>	34,956	<b>55,718</b>	68,039
Cost of sales	<u>(21,012)</u>	<u>(28,646)</u>	<u>(40,378)</u>	<u>(55,245)</u>
<b>Gross Profit</b>	<b>7,272</b>	6,310	<b>15,340</b>	12,794
Other income	(57)	697	<b>344</b>	974
Other expenses	0	-	<b>0</b>	(3)
Distribution costs	(626)	(705)	<b>(1,255)</b>	(1,463)
Administrative expenses	<u>(6,515)</u>	<u>(6,157)</u>	<u>(13,448)</u>	<u>(12,436)</u>
<b>Profit/(Loss) from operations</b>	<b>74</b>	145	<b>981</b>	(134)
Interest expense	(1,466)	(1,248)	<b>(2,943)</b>	(2,259)
Interest income	243	60	<b>563</b>	123
Share of profit after tax of jointly controlled entity	-	-	-	1,200
Share of profit after tax and minority interest of associates	<u>2,071</u>	<u>1,617</u>	<u>3,102</u>	<u>2,097</u>
<b>Profit before tax</b>	<b>922</b>	574	<b>1,703</b>	1,027
Taxation	<u>(525)</u>	<u>(311)</u>	<u>(1,032)</u>	<u>(600)</u>
<b>Profit for the period</b>	<b>397</b>	263	<b>671</b>	427
Attributable to:				
Equity holders of the parent	30	24	<b>188</b>	183
Minority interests	<u>367</u>	<u>239</u>	<u>483</u>	<u>244</u>
<b>Profit for the period</b>	<b>397</b>	263	<b>671</b>	427
Basic earnings per ordinary share (sen)	<b>0.010</b>	0.011	<b>0.073</b>	0.086
Diluted earnings per ordinary share (sen)	<b>0.008</b>	-	<b>0.064</b>	-

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



**SALCON BERHAD** (Company No: 593796-T)  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE CUMULATIVE SECOND QUARTER ENDED 30 JUNE 2007**

	← Attributable to Equity Holders of the Parent →				→	Minority Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Translation Reserve RM'000	Non – distributable Distributable Retained Profits/ (Accumulated losses) RM'000			
<b>At 1 January 2006</b>							
As previously stated	106,023	19,011	114	(17,289)	107,859	21,051	128,910
Prior year adjustments							
- effects of adopting FRS 121	-	-	(38)	38	-	-	-
<b>At 1 January 2006 (restated)</b>	<b>106,023</b>	<b>19,011</b>	<b>76</b>	<b>(17,251)</b>	<b>107,859</b>	<b>21,051</b>	<b>128,910</b>
Foreign currency translation	-	-	(103)	-	(103)	-	(103)
Exchange differences on translation of the financial statements of foreign subsidiaries	-	-	80	-	80	-	80
Net gains recognised directly in equity	-	-	(23)	-	(23)	-	(23)
Profit for the period	-	-	-	183	183	(173)	10
Total recognised income and expense for the period	-	-	(23)	183	160	(173)	(13)
<b>At 30 June 2006</b>	<b>106,023</b>	<b>19,011</b>	<b>53</b>	<b>(17,068)</b>	<b>108,019</b>	<b>20,878</b>	<b>128,897</b>



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE CUMULATIVE SECOND QUARTER ENDED 30 JUNE 2007 (continued)**

	← Attributable to Equity Holders of the Parent →					Total RM'000	Minority Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Translation Reserve RM'000	Revaluation Reserve RM'000	Distributable Retained Profits/ (Accumulated losses) RM'000			
<b>At 1 January 2007</b>	106,023	19,011	(24)	18	(12,281)	112,747	37,735	150,482
Foreign currency translation	-	-	(1,822)	-	-	(1,822)	-	(1,822)
Net gains recognised directly in equity	-	-	(1,822)	-	-	(1,822)	-	(1,822)
Profit for the period	-	-	-	-	188	188	483	671
Total recognised income and expense for the period	-	-	(1,822)	-	188	(1,634)	483	(1,151)
Issuance of shares								
- rights issue	106,022	14,844	-	-	-	120,866	-	120,866
- exercise of Warrants 2007/2014	555	278	-	-	-	833	-	833
Rights issue expenses	-	(1,852)	-	-	-	(1,852)	-	(1,852)
Issuance of shares by a subsidiary to minority shareholders	-	-	-	-	-	-	640	640
Dividends to minority interest	-	-	-	-	-	-	(309)	(309)
<b>At 30 June 2007</b>	<b>212,600</b>	<b>32,281</b>	<b>(1,846)</b>	<b>18</b>	<b>(12,093)</b>	<b>230,960</b>	<b>38,549</b>	<b>269,509</b>

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



**SALCON BERHAD** (Company No: 593796-T)  
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**UNAUDITED CONDENSED CONSOLIDATED CASHFLOW STATEMENT  
FOR THE CUMULATIVE SECOND QUARTER ENDED 30 JUNE 2007**

	<b>6 months Ended 30/06/2007 RM'000</b>	<b>6 months Ended 30/06/2006 RM'000</b>
<b><u>Cash flows from operating activities</u></b>		
Profit before tax	1,703	1,027
Adjustments for :		
- Non-cash items	(263)	(1,718)
- Non-operating items	<u>2,380</u>	<u>2,136</u>
Operating profit before changes in working capital	<u>3,820</u>	1,445
Changes in working capital	<u>6,656</u>	<u>(5,698)</u>
Cash generate from/(used in) operations	<u>10,476</u>	(4,253)
Income taxes refund / (paid)	1,292	2,397
Interest paid	<u>(2,943)</u>	<u>(2,259)</u>
<b>Net cash generate from/(used in) operating activities</b>	<b><u>8,825</u></b>	<b><u>(4,115)</u></b>
<b><u>Cash flows from investing activities</u></b>		
- Proceed from disposal of property, plant and equipment	74	213
- Acquisition of property, plant and equipment	(28,163)	(4,577)
- Prepayment of lease term	(93)	-
- Interest received	<u>563</u>	<u>123</u>
<b>Net cash used in investing activities</b>	<b><u>(27,619)</u></b>	<b><u>(4,241)</u></b>
<b><u>Cash flows from financing activities</u></b>		
- Net proceeds from issue of shares	119,014	-
- Proceeds from exercise of warrants	833	-
- Proceeds from issuing of equity shares in a subsidiary to minority shareholders	640	-
- Proceeds from bank borrowings	23,529	16,116
- Repayments of bank borrowings	(23,778)	(17,288)
- Dividends paid to minority shareholders	(309)	(417)
- Payment of hire purchase liabilities	<u>(68)</u>	<u>(188)</u>
<b>Net cash from/(used in) financing activities</b>	<b><u>119,861</u></b>	<b><u>(1,777)</u></b>
Effects of exchange rate changes	<u>1,389</u>	<u>(32)</u>
Net increase/(decrease) in cash and cash equivalents	<u>102,456</u>	<u>(10,165)</u>
Cash and cash equivalents at beginning of period	<u>19,318</u>	<u>29,818</u>
<b>Cash and cash equivalents at end of period</b>	<b><u>121,774</u></b>	<b><u>19,653</u></b>



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The cash and cash equivalents comprise the following balance sheet amounts :

	<b>6 months Ended 30/06/2007 RM'000</b>	6 months Ended 30/06/2006 RM'000
Cash and bank balances	<b>12,917</b>	11,238
Deposits placed with licensed banks	<b>109,210</b>	8,673
Bank overdrafts	<b>(353)</b>	(258)
	<b><u>121,774</u></b>	<u>19,653</u>

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The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.



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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE CUMULATIVE SECOND QUARTER ENDED 30 JUNE 2007**

**A. EXPLANATORY NOTES PURSUANT TO FRS 134 – Interim Financial Reporting**

**1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with FRS 134 – Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and with the explanatory notes attached herein. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the last audited financial statement for year ended 31 December 2006.

**1.1 Changes in Accounting Policies**

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for year ended 31 December 2006 except for the adoption of the following new/revised Financial Reporting Standards (“FRS”) effective for financial period beginning 1 January 2007:

FRS 6 Exploration for and Evaluation of Mineral Resources  
Amendment to FRS 119<sub>2004</sub> Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures  
FRS 124 Related Party Disclosures

The adoption of FRS 6 and FRS 119 are not applicable to the Group and the Company. Hence, no further disclosure is warranted. The adoption of FRS 124 does not have significant financial impact on the Group.

**2. Preceding Annual Financial Statement**

The audit report of the Group’s annual financial statements for the year ended 31 December 2006 was not subject to any qualification.

**3. Seasonal or Cyclical Factors**

The principal activities of the Group are not subject to any seasonal or cyclical changes.

**4. Unusual Items that Affect the Financial Statements**

There were no unusual items affecting the assets, liabilities, equity, net income or cashflows of the Group for the cumulative quarter ended 30 June 2007.



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**5. Material Changes in Estimates**

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

**6. Debt and Equity Securities**

There were no issuance and repayment of debt securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the cumulative quarter ended 30 June 2007.

**7. Dividends Paid**

There were no dividend paid for the cumulative quarter ended 30 June 2007.

**8. Segmental Reporting**

The segmental revenue and results of the Group for the cumulative quarter ended 30 June 2007 are as follows:-

	<b>Water</b>	<b>Wastewater</b>	<b>Trading Services</b>	<b>Others</b>	<b>Inter-segment Elimination</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>						
External	33,288	17,627	4,803	-	-	55,718
Inter segment	-	-	-	265	(265)	-
	<u>33,288</u>	<u>17,627</u>	<u>4,803</u>	<u>265</u>	<u>(265)</u>	<u>55,718</u>
<b>Results</b>						
Profit/(Loss) from operations	2,493	1,502	347	(12)	-	4,330
Share of profit after tax and minority interest of associates	2,302	-	-	800	-	3,102
	<u>4,795</u>	<u>1,502</u>	<u>347</u>	<u>788</u>	<u>-</u>	<u>7,432</u>
Unallocated corporate expense						(3,349)
Net financing costs						(2,380)
Profit before taxation						<u>1,703</u>

**9. Valuations of Property, Plant and Equipment**

There was no revaluation of property, plant and equipment during the cumulative quarter ended 30 June 2007. The valuation of land and buildings have been brought forward without amendment from the previous annual audited report.





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**10. Material Events Subsequent to the End of the Interim Period**

There were no material events subsequent to the end of the interim period up to 20 August 2007 (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report), that have not been reflected in the financial statement for the interim period except for the following:

- a) Salcon Engineering Berhad, a wholly-owned subsidiary of Salcon Berhad, entered into a sale and purchase agreement dated 3 July 2007 and a supplementary agreement dated 14 July 2007 with Blair's Finance Group to dispose of its 1,225 ordinary shares of USD1.00 each in Cross Continental Investment ("CCI"), representing 49% of the issued and paid-up capital of CCI; and to waive its 813,502 preference shares of INRs100/- each in Palm Tech India Limited ("Palm Tech"), a subsidiary company of CCI; and to assign and/or waive all advances to CCI and Palm Tech, for a total cash consideration of RM24,000,000.
- a) Salcon Building Services Sdn. Bhd., a wholly-owned subsidiary of Bumi Tiga Enterprise Sdn. Bhd. which in turn is a wholly-owned subsidiary of Salcon Engineering Berhad ("SEB") and SEB is a wholly-owned subsidiary of Salcon Berhad had on 3 August 2007 entered into a Sale and Purchase Agreement ("the Agreement") with Amway (Malaysia) Sdn Bhd (Company No. 22062-P), in respect of the acquisition of property for a total consideration of RM13,500,000.00.

The completion shall be deemed to have been satisfied and discharged upon full payment in accordance with the Agreement.

**11. Effect of Changes in the Composition of the Group**

The change in the composition of the Group during the 6 month period ended 30 June 2007 was as follows:-

- (i) Salcon Berhad (SB) had on 8 June 2007, incorporated a wholly-owned subsidiary, Salcon Fujian (HK) Limited, a company incorporated in Hong Kong with a paid up capital of HK\$1.00 divided into 1 share of HK\$1.00 each. This change had no material impact on the earnings and net assets of the Group for the current quarter.

**12. Changes in Contingent Liabilities/Contingent Assets**

The changes in contingent liabilities since the last annual balance sheet date as at 31 December 2006 to 20 August 2007 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) are as follows:-

	<b>Increase/ (Decrease) RM'000</b>
Bank guarantees given to third parties relating to performance, tenders and advance payment bonds	<u>43,801</u>



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**13. Net assets (NA) per share**

The NA per share is derived as follows:-

	<b>RM'000</b>
Shareholders funds	230,960
No. of shares	<u>425,200</u>
NA per share (RM)	<u>0.54</u>



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**B. ADDITIONAL DISCLOSURE PURSUANT TO THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD**

**1. Taxation**

The breakdown of tax charge is as follows:-

	Current Quarter Ended 30/06/07 RM'000	Cumulative Quarter To-date 30/06/07 RM'000
Current period	<u>525</u>	<u>1,032</u>
	<u>525</u>	<u>1,032</u>

For the current and cumulative quarter ended 30 June 2007, the Group's taxation charges were largely due to tax provisions made by certain subsidiaries. Tax losses of certain subsidiaries were not fully set-off against taxable profits made by other subsidiaries.

**2. Sale of Unquoted Investments and/or Properties**

There were no disposals of unquoted investments or properties during the cumulative quarter ended 30 June 2007.

**3. Purchase or Disposal of Quoted Investments**

There were no purchases or disposals of quoted investments during the cumulative quarter ended 30 June 2007. Total investments in quoted securities as at 30 June 2007 were as follows:

	RM'000
At cost	175
At book value	18
At market value	12

**4. Status of Corporate Proposals**

- i) The Renounceable Rights Issue of 212,045,402 new ordinary shares of RM0.50 each ("Rights Shares") with 106,022,701 free detachable warrants ("Warrants"), on the basis of two (2) Rights Shares with one (1) Warrant for every two (2) existing ordinary shares of RM0.50 each at an issue price of RM0.57 per rights share.

The exercise price of the Warrants had been fixed at RM0.75.

The above-mentioned corporate exercise has been completed and the shares were granted listing and quotation on the Main Board of Bursa Malaysia Securities Berhad on 23 May 2007.



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The status of the utilisation of the proceeds as at 20 August 2007 is as follows: (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

	Approved RM'000	Utilised RM'000	Unutilised/ (Over) RM'000
Working capital for the Sabah sewage system project	55,000	(12,895)	42,105
General working capital for our Group	44,866	-	44,866
Repayment of bank borrowings	19,000	(19,000)	-
Estimated expenses relating to the Rights Issue with Warrants	2,000	(1,888)	112
	<u>120,866</u>	<u>(33,783)</u>	<u>87,083</u>

- ii) On 18 June 2007, Salcon Berhad had offered to acquire 74,174,592 ordinary shares of RM1.00 each representing approximately 74.165% of the entire issued and paid-up share capital of Oriental Capital Assurance Berhad ("Oriental") from Maika Holdings Berhad ("Maika") for a purchase consideration of RM129,805,536 (or at RM1.75 per share of RM1.00 each in Oriental). Maika had on 27 June 2007 accepted the Offer.

Approval of the transaction has been received from Bank Negara Malaysia and the Minister of Finance on 27 August 2007.

## 5. Group Borrowings and Debt Securities

Total Group borrowings as at 30 June 2007 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Long Term Borrowings</u>			
Term loan	-	89,508	89,508
Hire purchase liabilities	679	-	679
	<u>679</u>	<u>89,508</u>	<u>90,187</u>
<u>Short Term Borrowings</u>			
Bank overdrafts	-	354	354
Revolving credits	-	1,450	1,450
Bankers acceptances	-	974	974
Term loan	-	11,124	11,124
Hire purchase liabilities	233	-	233
	<u>233</u>	<u>13,902</u>	<u>14,135</u>
Total Group Borrowings	<u>912</u>	<u>103,410</u>	<u>104,322</u>

Included in the above Group borrowings are the following loans denominated in Chinese Renminbi (RMB) :

	Foreign currency RMB'000	Equivalent RM'000
Long Term Borrowings (Unsecured)	87,087	39,508
Short Term Borrowings (Unsecured)	<u>13,500</u>	<u>6,124</u>



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**6. Off Balance Sheet Financial Instruments**

The Group does not have any financial instruments with off balance sheet risk as at 20 August 2007 (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

**7. Changes in Material Litigation**

There was no material update as at 20 August 2007 (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

**8. Material Changes in the Results of the Current Quarter compared to that of the Preceding Quarter**

For the current financial quarter, the Group revenue and pre-tax profit was higher by 3% and 18% respectively as compared with the immediate preceding quarter. The higher revenue was attributable the better performance in the wastewater sector whilst the higher pre-tax profit was due to the higher contributions from associates company.

**9. Review of Performance of the Company and its Principal Subsidiaries**

For the current financial quarter, the Group achieved revenues of RM28.28 million and pre-tax profit of RM0.92 million. Group revenue was lower by 19% as compared to the corresponding quarter in the preceding year due to lower recognition of construction income from water and wastewater sectors as some of the projects have been completed. Group pre-tax profit, however, was higher by 61% due to better profit margins and recognition of variation orders from past job.

For the cumulative quarter to date, the Group recorded revenue and profit before tax of RM55.72 million and RM1.70 million respectively. Group revenue was lower by 19% as compared to the corresponding quarter in the preceding year due to lower recognition of construction income from water and wastewater sectors as some of the projects have been completed. Group pre-tax profit, however, was higher by 66% due to better profit margins and recognition of variation orders from past job.

**10. Prospects for the Current Year**

The Group has managed to secure two sizeable projects recently i.e. Kota Kinabalu Sewage System project of RM183.3 mil and Reduction in Non Revenue Water project in Seremban and Nilai of RM43 mil. These two projects have commenced works in August and are expected to contribute to the Group's profitability for this financial year.

**11. Variance of Profit Forecast / Profit Guarantee**

Not applicable to the Group.

**12. Proposed Dividend**

No dividend has been declared nor recommended for the cumulative quarter ended 30 June 2007.



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**13. Earnings Per Share**

The basic and diluted earnings per share have been calculated based on the consolidated net profit attributable to equity holders of the parent for the period and the weighted average number of ordinary shares outstanding during the period as follows:

**Basic earning per share**

	Current Quarter Ended 30/06/07	Comparative Quarter Ended 30/06/06	Cumulative Quarter To-date	
			30/06/07	30/06/06
Profit attributable to equity holders of the parent (RM'000)	<u>30</u>	<u>24</u>	<u>188</u>	<u>183</u>
<b><u>Weighted average number of ordinary shares</u></b>				
Issued ordinary shares at beginning of period ('000)	<u>212,045</u>	<u>212,045</u>	<u>212,045</u>	<u>212,045</u>
Effect of shares issued during the period ('000)	<u>90,914</u>	<u>-</u>	<u>45,708</u>	<u>-</u>
Weighted average number of ordinary shares ('000)	<u>302,959</u>	<u>212,045</u>	<u>257,753</u>	<u>212,045</u>
Basic earnings per share (sen)	0.010	0.011	0.073	0.086

**Diluted earnings per share**

	Current Quarter Ended 30/06/07	Comparative Quarter Ended 30/06/06	Cumulative Quarter To-date	
			30/06/07	30/06/06
Profit attributable to equity holders of the parent (RM'000)	<u>30</u>	<u>24</u>	<u>188</u>	<u>183</u>
<b><u>Weighted average number of ordinary shares</u></b>				
Weighted average number of ordinary shares ('000)	<u>302,959</u>	<u>212,045</u>	<u>257,753</u>	<u>212,045</u>
Effect of exercise of Warrants ('000)	<u>53,521</u>	<u>-</u>	<u>36,283</u>	<u>-</u>
Weighted average number of ordinary shares ('000)	<u>356,480</u>	<u>212,045</u>	<u>294,036</u>	<u>212,045</u>
Diluted earnings per share (sen)	0.008	-	0.064	-



**SALCON BERHAD** (Company No: 593796-T)  
(Incorporated in Malaysia)

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**Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 August 2007.

**ON BEHALF OF THE BOARD**

**JAGGIT SINGH**  
**Executive Director**

Selangor Darul Ehsan  
27 August 2007