

**SAPURACREST PETROLEUM BERHAD**  
**(Company No : 45631-D)**  
**Incorporated in Malaysia**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 OCTOBER 2006**

**THE FIGURES HAVE NOT BEEN AUDITED**

**I. CONDENSED CONSOLIDATED INCOME STATEMENT**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	Current year quarter  31/10/2006 RM'000	Preceding year corresponding quarter  31/10/2005 RM'000 <b>(restated)</b>	Nine months to  31/10/2006 RM'000	Nine months to  31/10/2005 RM'000 <b>(restated)</b>
<b>1. Revenue</b>	<b>573,522</b>	<b>544,149</b>	<b>1,322,856</b>	<b>1,399,417</b>
Operating expenses	(572,322)	(510,064)	(1,252,522)	(1,283,682)
Other income	5,466	2,607	12,504	5,754
Profit from operations	6,666	36,692	82,838	121,489
Finance cost	(24,965)	(13,863)	(59,277)	(34,610)
Share of (loss)/profit of associated companies and jointly controlled entities	(18,299)	22,829	23,561	86,879
	(1,296)	815	(2,223)	1,750
<b>(Loss)/profit before taxation</b>	<b>(19,595)</b>	<b>23,644</b>	<b>21,338</b>	<b>88,629</b>
Taxation	(3,621)	(1,478)	(9,064)	(7,787)
<b>(Loss)/profit for the period</b>	<b>(23,216)</b>	<b>22,166</b>	<b>12,274</b>	<b>80,842</b>
Attributable to :				
Equity holders of the parent	(38,732)	15,281	(25,069)	56,548
Minority interests	15,516	6,885	37,343	24,294
	<b>(23,216)</b>	<b>22,166</b>	<b>12,274</b>	<b>80,842</b>
<b>2. Earnings per share (sen)</b>				
Basic	<b>(4.37)</b>	<b>1.74</b>	<b>(2.83)</b>	<b>6.43</b>
Diluted	<b>(4.37)</b>	<b>1.37</b>	<b>(2.83)</b>	<b>5.22</b>

The condensed consolidated income statement should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2006.

**SAPURACREST PETROLEUM BERHAD**  
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**II. CONDENSED CONSOLIDATED BALANCE SHEET**

	<b>UNAUDITED</b> As at end of current quarter <b>31/10/2006</b> RM'000	<b>AUDITED</b> As at preceding financial year end <b>31/1/2006</b> RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	765,057	989,574
Investment in associated companies	9,513	22,558
Investment in jointly controlled entities	43,209	98
Patent costs	36	42
Deferred tax assets	3,288	7,429
Goodwill on consolidation	145,262	130,962
Cash and bank balances	-	2,575
	<u>966,365</u>	<u>1,153,238</u>
<b>Current assets</b>		
Inventories & WIP	42,363	34,430
Amount due from related companies	5,960	9,039
Trade & other receivables	1,267,796	941,165
Cash and bank balances	683,703	367,287
	<u>1,999,822</u>	<u>1,351,921</u>
<b>TOTAL ASSETS</b>	<b><u>2,966,187</u></b>	<b><u>2,505,159</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	177,200	176,032
Redeemable cumulative convertible preference shares	1,301	1,301
Share premium	185,476	183,465
Other reserves	68,304	64,294
Retained profit	15,742	50,378
	<u>448,023</u>	<u>475,470</u>
<b>Minority interests</b>	<u>215,564</u>	<u>179,760</u>
<b>Total equity</b>	<b><u>663,587</u></b>	<b><u>655,230</u></b>
<b>Non-current liabilities</b>		
Borrowings	1,168,796	879,806
Deferred taxation	10,032	10,067
	<u>1,178,828</u>	<u>889,873</u>
<b>Current liabilities</b>		
Amount due to related companies	4,307	4,177
Trade & other payables	761,883	545,318
Borrowings	344,421	394,110
Taxation	13,161	16,451
	<u>1,123,772</u>	<u>960,056</u>
<b>TOTAL LIABILITIES</b>	<b><u>2,302,600</u></b>	<b><u>1,849,929</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>2,966,187</u></b>	<b><u>2,505,159</u></b>
<b>Net assets per share (RM)</b>	<b><u>0.51</u></b>	<b><u>0.54</u></b>

The condensed consolidated income statement should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2006.

**SAPURACREST PETROLEUM BERHAD**  
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**III. CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>Unaudited Nine months to 31/10/2006 RM'000</b>	<b>Unaudited Nine months to 31/10/2005 RM'000</b>
Profit before taxation	21,338	88,629
Adjustment for non-cash items	91,253	85,174
Operating profit before working capital changes	<u>112,591</u>	<u>173,803</u>
Net change in current assets	(312,673)	(457,718)
Net change in current liabilities	<u>234,561</u>	<u>254,957</u>
	34,479	(28,958)
Non-operating items	<u>(61,206)</u>	<u>(30,056)</u>
Net cash used in operating activities	(26,727)	(59,014)
Net cash generated from /(used in) investing activities	108,296	(358,670)
Net cash (used in)/generated from financing activities	<u>(154,547)</u>	<u>359,583</u>
Net changes in Cash and Cash Equivalent	(72,978)	(58,101)
Effect of exchange rate translation	(1,440)	(475)
Cash and Cash Equivalents at 1 February 2006	<u>304,603</u>	<u>357,177</u>
Cash and Cash Equivalents at 31 October 2006	<u><u>230,185</u></u>	<u><u>298,601</u></u>

Cash and cash equivalents comprise of the following:

	RM'000	RM'000
Cash and bank balances	683,703	383,871
Bank overdrafts	<u>(2,163)</u>	<u>(4,017)</u>
	681,540	379,854
Less : Fixed deposits pledged	<u>(451,355)</u>	<u>(81,253)</u>
	<u><u>230,185</u></u>	<u><u>298,601</u></u>

The condensed consolidated cash flow statement should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2006.

**SAPURACREST PETROLEUM BERHAD**  
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**IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to Equity Holders of the Parent					Minority interest	Total Equity
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Retained profit / (accum. losses) RM'000	Total RM'000	RM'000	RM'000
<b>Nine months to 31 October 2006 (unaudited)</b>							
At 1 February 2006	177,333	183,465	64,294	50,378	475,470	179,760	655,230
Net(loss)/profit for the period	-	-	-	(25,069)	(25,069)	37,343	12,274
Issue of ordinary share pursuant of ESOS	1,168	1,987	-	-	3,155	-	3,155
Share-based payment under ESOS	-	24	228	-	252	-	252
Foreign currency translation	-	-	3,782	-	3,782	(1,539)	2,243
Final dividend for the financial year ended 31 January 2006	-	-	-	(9,567)	(9,567)	-	(9,567)
At 31 October 2006	178,501	185,476	68,304	15,742	448,023	215,564	663,587
<b>Nine months to 31 October 2005 (unaudited)</b>							
At 1 February 2005	177,112	183,090	63,006	(13,385)	409,823	152,883	562,706
Net profit for the period	-	-	-	56,548	56,548	24,294	80,842
Acquisition of a subsidiary	-	-	-	-	-	3,540	3,540
Foreign currency translation	-	-	470	-	470	116	586
Interim dividend for the financial year ended 31 January 2006	-	-	-	(10,233)	(10,233)	-	(10,233)
At 31 October 2005	177,112	183,090	63,476	32,930	456,608	180,833	637,441

The condensed consolidated statement of changes in equity should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2006.

## NOTES TO THE FINANCIAL STATEMENTS

The notes to the condensed Financial Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2006.

### 1. Accounting policies and methods of computation

- i) The unaudited condensed consolidated financial statements have been prepared by applying accounting policies and methods of computation consistent with those used in the preparation of the most recent audited financial statements of the Group and are in accordance with FRS134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, except for the adoption of the following new/revised Financial Reporting Standards (“FRS”) effective for financial period beginning or after 1 January 2006:

FRS 2	Share-based Payments
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 the 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	Investment 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 FRS 3, 5, 102, 108, 110, 116, 121, 127, 128, 131, 132, 133, 136, 138 and 140 does not have significant financial impact on the Group.

The principal effects of changes in accounting policies resulting from the adoption of the other new/revised FRSs are discussed below:

#### a) FRS 2: Share-based Payments

The Company operates an equity-settled, share based compensation plan for the employees of the Group, the Employee Share Options Scheme (“ESOS”). Prior to 31 January 2006, no compensation expense was recognised in profit or loss for share options granted. With the adoption of FRS 2, the compensation expense relating to share options is recognized in profit or loss over the vesting periods of the grants with a corresponding increase in equity.

Under the transitional provisions of FRS 2, this FRS must be applied to share options that were granted after 31 December 2004 and had not yet vested on 1 February 2006.

The financial impact to the Group arising from this change in accounting policy is an additional charge of RM252,197 to the profit of the Group arising from the share options granted to employees of the Group under the ESOS.

## b) FRS 101: Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interests, share of net after-tax results of associates and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with comparatives restated to conform with the current period's presentation.

(ii) The following comparative amounts have been restated due to the adoption of FRS 101:

	<u>Previously stated</u>	<u>Reclass- ification</u>	<u>Restated</u>
	RM'000	RM'000	RM'000
<b>Balance Sheet at 31 January 2006</b>			
Non current assets - Cash and bank balances	-	2,575	2,575
Current assets - Cash and bank balances	369,862	(2,575)	367,287
<b>Condensed Consolidated Income Statement for 3 months ended 31 October 2005</b>			
Other income	547	2,060	2,607
Operating expenses	(508,004)	(2,060)	(510,064)
Share of results of associates	846	(31)	815
Taxation	(1,509)	31	(1,478)
<b>Condensed Consolidated Income Statement for 9 months ended 31 October 2005</b>			
Other income	853	4,901	5,754
Operating expenses	(1,278,781)	(4,901)	(1,283,682)
Share of results of associates	1,876	(126)	1,750
Taxation	(7,913)	126	(7,787)

## 2. Audit report of preceding annual financial statements

The audit report of the Group's financial statements for the financial year ended 31 January 2006 was not qualified.

## 3. Seasonality and cyclicity of operations

The Group's operations are not materially subject to any seasonal or cyclical factors except for severe weather conditions.

**4. Unusual items**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the current quarter and financial period ended 31 October 2006 except as disclosed in Notes 1 and 5.

**5. Changes in estimates**

With the adoption of FRS 116: Property, Plant and Equipment, the Group revised the residual values of certain property, plant and equipment mainly the vessels, and the estimated useful lives of certain furniture and equipments. The revisions were accounted for as change in accounting estimates. As a result, the depreciation charges for the current financial period have been reduced by RM11.1 million.

Save as disclosed above, there were no other changes in estimates that have had material effect in the current quarter and financial period ended 31 October 2006 results.

**6. Debt and equity securities**

(a) Debt securities

On 25 August 2006, Bayu Padu Sdn Bhd ("Bayu Padu"), a wholly owned subsidiary of the Company, issued RM250 million nominal value of Istisna' Bonds, being the second tranche of the RM500 million nominal value of the Istisna' Bonds.

(b) Equity securities

During the current quarter and financial period ended 31 October 2006, the issued and paid up capital of the Company increased from 880,159,875 ordinary shares of RM0.20 each to 886,002,475 ordinary shares of RM0.20 each by the issuance of 5,842,600 new ordinary shares of RM0.20 each, pursuant to the exercise of share options under the Company ESOS.

Save as disclosed above, there were no other issuances, cancellations, repurchases, resale and repayment of debt and equity securities during the current quarter and financial period ended 31 October 2006.

**7. Dividends paid**

A final dividend of 1.5 sen per ordinary share less 28% tax, totalling RM9.57 million in respect of the financial year ended 31 January 2006 was paid on 15 August 2006.

## 8. Segmental information

	<b>9 months to 31/10/06</b>	
	<b>Segment Revenue</b>	<b>Segment Result</b>
	RM'000	RM'000
Installation of Pipelines and Facilities	660,247	(45,764)
Drilling	272,033	73,621
Marine Services	340,884	34,160
Operations and Maintenance	49,692	4,314
		<u>66,331</u>
Investment holding and corporate operations		
Finance costs of debt securities		(33,547)
Pre-operating expenses in relation to Sapura 3000		(4,163)
Other investment holding and corporate operations		(7,283)
<b>Consolidated revenue / profit before tax</b>	<b><u>1,322,856</u></b>	<b><u>21,338</u></b>

## 9. Carrying amount of revalued assets

The valuations of property, plant and equipment have been brought forward without amendment from previous audited financial statements.

## 10. Subsequent event

### ***Buy-back of Islamic Bonds***

The Company has redeemed RM250 million of the Istisna' Bonds and the MMTNs of RM100 million nominal value on 8 December 2006.

There were no other material events subsequent to 31 October 2006 to the date of this announcement.

## 11. Changes in the composition of the Group

On 9 May 2006, the joint venture established by its wholly owned subsidiary, Nautical Essence Sdn Bhd ("NESB") with Acergy MS Ltd ("Acergy") came into effect.

Accordingly, SapuraAcergy Sdn Bhd (formerly known as Nautical Offshore Sdn Bhd) and Nautical Vessels Pte Ltd ("NVPL"), both of which were previously wholly owned subsidiaries of NESB, have now become jointly controlled entities of NESB and Acergy, each holding 50% equity. NVPL is the new owner of Sapura 3000.

Save as disclosed above, there were no changes in the composition of the Group for the current period including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinued operations.



## 12. Contingent liabilities

There were no contingent liabilities as at the date of this announcement.

## 13. Capital commitments

Capital commitment approved and contracted for is RM378million.

## 14. Taxation

Taxation comprises the following:

	Current quarter ended <b>31/10/06</b> RM'000	Corresponding quarter ended <b>31/10/05</b> RM'000	Current 9 months to <b>31/10/06</b> RM'000	Corresponding 9 months to <b>31/10/05</b> RM'000
Malaysian Taxation				
- current taxation	1,940	1,625	4,626	8,085
- deferred taxation	1,331	-	3,994	-
Foreign Taxation				
- current taxation	350	(147)	444	(298)
	<u>3,621</u>	<u>1,478</u>	<u>9,064</u>	<u>7,787</u>

There is a tax charge despite the group registering a consolidated loss before taxation for the current quarter, while the effective tax rate for the current financial period (nine months) is higher than the statutory tax rate. This is primarily due to the expensing of amounts from the deferred tax asset to the income statement and the absence of group relief to set off losses against profits between subsidiary companies.

## 15. Disposal of unquoted investments and/or properties

There was no disposal of unquoted investments and/or properties during the current quarter and financial period ended 31 October 2006.

## 16. Quoted securities

There were no acquisitions and disposals of quoted securities for the current quarter and financial period ended 31 October 2006 and there were no investments in quoted securities as at 31 October 2006.

17. (a) **Status of corporate proposal announced but not completed**

***Proposed joint venture with Larsen & Toubro Limited (“L&T”)***

On 8 June 2006, the Company announced that it had entered into an indicative term sheet with L&T to participate in the engineering, construction, management and operation of a new build derrick lay barge for the provision of offshore installation services. Under the indicative terms, the Company would hold 40% of the equity in the joint venture company while the remaining 60% would be held by L&T.

The Company is currently in discussions with L&T on the terms and conditions for the proposed joint venture.

(b) **Status of utilisation of proceeds**

***Islamic PDS***

The status of the utilisation of the proceeds from Bayu Padu’s issue of Istisna’ Bonds and Murabahah Medium Term Notes (“MMTN”) is as follows:

- (i) *Istisna’ Bonds Proceeds:* From the net proceeds of RM490 million, about RM102 million had been utilised to reimburse the Company for the acquisition of a vessel, Sarku Clementine, to refinance the cost of acquiring certain oil and gas related business and working capital purposes. Subsequently, RM325 million has been utilised to partly fund the redemption of RM250 million nominal value of the Istisna’ Bonds and RM100 million nominal value of the MMTNs as disclosed in Note 10 (Subsequent Events).
- (ii) *MMTN Proceeds:* The net proceeds of RM96.7 million has been fully utilised for working capital purposes.

***Joint venture with Acergy MS Ltd (formerly known as Stolt Offshore M.S. Ltd)***

The 50% divestment of the Company’s interest via NESB, in Nautical Vessels Pte Ltd and SapuraAcergy Sdn Bhd (previously known as Nautical Offshore Sdn Bhd), to Acergy MS Limited, has raised proceeds amounting to USD64.1 million, of which about USD47 million has been utilised for working capital, USD9.9 million for corporate purposes including advances of USD9.8 million to NVPL to partly finance the construction of Sapura 3000.

## 18. Borrowings

The Group's borrowings as at 31 October 2006 are as follows:

	<b>Long term borrowings</b>			<b>Short term borrowings</b>		
	Secured RM'000	Unsecured RM'000	Total RM'000	Secured RM'000	Unsecured RM'000	Total RM'000
Domestic Banks	43,290	-	43,290	256,190	14,156	270,346
Foreign Bank	165,583	-	165,583	28,298	829	29,127
Debt securities						
- BaIDs	69,594	-	69,594	24,715	-	24,715
- CB	-	305,240	305,240	-	-	-
- Islamic PDS	585,089	-	585,089	-	-	-
- RCCPS	-	-	-	-	20,233	20,233
	863,556	305,240	1,168,796	309,203	35,218	344,421

On 25 August 2006, the group through a wholly owned subsidiary, Bayu Padu Sdn Bhd, had issued RM250 million nominal value of Istisna' Bonds, being the second and final tranche of the bond issue.

## 19. Off-balance sheet financial instruments

### ***Cross Currency Interest Rate Swap ("CCIRS")***

The Company had initially entered into a CCRIS to hedge against fluctuations in the interest and USD/RM exchange rate on approximately RM500 million loans of staggered maturities up to the year 2015, for which the source of repayment is expected to be in USD. By doing so, the Company effectively transformed the RM liabilities into equivalent liabilities in USD to essentially match future USD revenue/income. The final maturity of the swap, based on this original arrangement, was to be 26 July 2015.

Subsequently, as at the date of this announcement, the Company has substantially unwound the CCIRS arrangement to the extent that the underlying amount is now RM121.7 million staggered over the next eight years (at varying semi-annual amounts). The unwinding was based on a change in the company's currency risk profile arising principally from the securing of a USD loan to partly fund the construction of the Sapura 3000 (undertaken by NVPL, 50% owned by the Company), which also subsequently lead to the buy-back of RM350 million nominal value of Islamic Bonds (Note 10 and Note 17).

### ***Credit and Market Risk***

The hedging instruments were entered into with a reputable financial institution to limit the credit risk exposure of the Group.

### ***Hedging Instrument Accounting Policy***

The hedging instruments are not recognized in the financial statements on inception. The underlying foreign currency liabilities or assets are translated at their respective hedged exchange rates and all exchange gains and losses are recognized as income or expense in the income statement in the same period as the exchange differences on the underlying hedged items. Exchange gains or losses arising on contracts entered into as hedges of anticipated future transactions are deferred until the date of such transactions, at which time they are included in the measurement of such transactions.

Net differentials in interest receipts and payments arising from interest rate hedging instrument are recognized as income or expense over the period of the contract.

#### **20. Material litigation**

There was no material litigation as at the date of this announcement.

#### **21. Comparison between the current (third) quarter and the immediate preceding (second) quarter**

Revenue for the current quarter was increased by 55.4% to RM573.5 million as compared to RM369.2 million in the immediate preceding quarter mainly due to an increase in the activities of the installation of pipelines and facilities ("IPF") and marine services divisions.

The Group, however, registered loss before taxation of RM19.6 million for the current quarter as compared to profit before taxation of RM24.6 million in the immediate preceding quarter. The loss was mainly attributable to the IPF activities owing to extreme bad weather and higher offshore operating rates. The drilling division in particular, however, continued to sustain high profitability.

#### **22. Review of performance for the current quarter and current year to date**

*Current quarter compared to the corresponding third quarter of the preceding year (3 months)*

Revenue for the quarter under review of RM573.5 million showed an increase of RM29.4 million (5.4%) compared to RM544.1 million in the corresponding quarter of the preceding year, mainly due to an increase in activities in the drilling and marine services divisions.

The Group registered a loss before taxation of RM19.6 million as compared to profit before taxation of RM23.6 million in the corresponding quarter of the preceding year mainly due to the loss recorded by the IPF division as explained above and higher finance costs and pre-operating and other expenses not capitalised in relation to the Sapura 3000 under a joint venture. The drilling and marine services divisions, however, registered significantly higher profit for the current quarter compared to the corresponding quarter.

*Current financial period compared to corresponding nine months of the preceding year*

For the nine months under review, the Group's revenue decreased by approximately RM76.6 million (5.5%) to RM1.32 billion compared to RM1.4 billion in the nine months of the preceding year, mainly due to lower IPF activities.

The Group's profit before taxation was RM21.3 million, a decrease of RM67.3 million (75.9%) compared to RM88.6 million in the nine months of the preceding year, principally due to a loss recorded in the IPF division, higher finance costs and pre-operating and other expenses not capitalised in relation to the Sapura 3000 under a joint venture as mentioned above.

## 23. Prospects for the financial year ending 31 January 2007

The IPF division's loss was principally due to high fuel costs and weather conditions offshore and is expected to continue to face challenging prospects for the remaining of the current financial year. In this respect, the Board and Management are taking steps to address the situation. However, the drilling division, currently the most profitable segment, is expected to sustain its profit performance.

## 24. Dividend

The Board of Directors does not recommend any dividend for the current quarter under review.

## 25. Earnings per share

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months to		9 months to	
i) Basic	31/10/06	31/10/05	31/10/06	31/10/05
Net (loss)/profit for the period (RM'000)	(38,732)	15,281	(25,069)	56,548
Weighted average number of ordinary shares in issue ('000)	886,002	879,055	886,002	879,055
Basic(loss)/earnings per share (sen)	<u>(4.37)</u>	<u>1.74</u>	<u>(2.83)</u>	<u>6.43</u>
	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months to		9 months to	
ii) Diluted	31/10/06	31/10/05	31/10/06	31/10/05
Net (loss)/profit for the period (RM'000)	(38,732)	15,281	(25,069)	56,548
Adjusted net (loss)/profit	(38,732)	16,311	(25,069)	62,200
Weighted average number of ordinary shares in issue ('000)	886,002	879,055	886,002	879,055
Effect of dilution:				
Exercise of ESOS	N/A	-	N/A	-
Conversion of warrants	N/A	249,943	N/A	249,943
Number of shares for warrants that would have been issued at fair value	N/A	(173,980)	N/A	(173,980)
	N/A	75,963	N/A	75,963
Conversion of RCCPS	N/A	28,229	N/A	28,229
Conversion of CB	N/A	209,453	N/A	209,453
Adjusted weighted average number of ordinary shares in issue and issuable:	886,002	1,192,700	886,002	1,192,700
Diluted (loss)/earnings per share (sen)	<u>(4.37)</u>	<u>1.37</u>	<u>(2.83)</u>	<u>5.22</u>

Note : N/A denotes Not Applicable (Anti-dilutive)

**26 Goodwill on consolidation**

Goodwill on consolidation has increased from RM131.0 million as at 31 January 2006 to RM145.3 million arising from the recognition of a deferred contingent consideration in relation to the acquisition of a subsidiary, as previously disclosed in the preceding quarter's financial statements.

Selangor  
15 December 2006

**By Order of the Board**

Finton Tuan Kit Ming  
Poh Phei Ling  
Company Secretaries