

WCT ENGINEERING BERHAD

(Company Number : 66538-K)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2006

(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SECOND QUARTER ENDED 30 JUNE 2006

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 30.06.2006) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 30.06.2005) RM'000	CURRENT YEAR TODATE (6 months to 30.06.2006) RM'000	PRECEDING YEAR CORRESPONDING (6 months to 30.06.2005) RM'000
Revenue	218,722	176,280	368,354	389,073
Cost of sales	(177,709)	(133,997)	(278,953)	(299,426)
Gross profit	41,013	42,283	89,401	89,647
Other income	2,671	6,986	9,669	9,765
Other expenses	(622)	(417)	(5,177)	(796)
Administrative expenses	(10,152)	(10,513)	(19,451)	(17,271)
Finance costs	(6,613)	(9,869)	(13,652)	(16,642)
Share of profit after tax of associates	867	7,006	769	6,417
	27,164	35,476	61,559	71,120
Income tax expense	(5,860)	(8,465)	(17,112)	(18,566)
Profit for the period	21,304	27,011	44,447	52,554
Attributable to:				
Equity holders of the parent	17,200	24,134	37,863	46,944
Minority interest	4,104	2,877	6,584	5,610
	21,304	27,011	44,447	52,554
Attributable to equity holders of the parent :				
Basic earnings per share (sen)	8.08	14.08 *	17.80	24.45 *
Fully diluted earnings per share (sen)	7.99	13.82 *	17.59	22.08 *

(The condensed consolidated income statements 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.)

* Computed based on the number of share capital which were adjusted for the proportionate change in the number as if the bonus shares were issued on 1 January 2004.

WCT ENGINEERING BERHAD

(Company Number : 66538-K)

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2006

	UNAUDITED AS AT END OF CURRENT QUARTER 30.06.2006 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2005 RM'000
ASSETS		
<u>Non-current assets</u>		
Property, plant and equipment	219,525	197,107
Land held for development	255,400	190,046
Investment properties	48,294	49,280
Investment in associates	63,554	104,623
Capital contribution to an unincorporated joint venture	-	-
Other investments	19,998	18,708
Deferred tax assets	8,153	8,419
Negative goodwill	-	(5,838)
	<u>614,924</u>	<u>562,345</u>
<u>Current assets</u>		
Development properties	128,654	120,597
Inventories - properties	31,907	36,298
Inventories	64	58
Trade receivables	391,049	364,254
Other receivables	91,765	49,862
Amounts due from associates	160,820	113,695
Tax recoverable	7,191	6,244
Deposits, cash and bank balances	450,939	385,242
	<u>1,262,389</u>	<u>1,076,250</u>
TOTAL ASSETS	<u>1,877,313</u>	<u>1,638,595</u>

WCT ENGINEERING BERHAD

(Company Number : 66538-K)

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2006 (cont'd)

	UNAUDITED AS AT END OF CURRENT QUARTER 30.06.2006 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2005 RM'000
EQUITY AND LIABILITIES		
<u>Equity attributable to equity holders of the parent</u>		
Share capital	213,059	212,606
Reserves	351,068	321,158
	<u>564,127</u>	<u>533,764</u>
Minority interest	144,051	102,367
Total equity	<u>708,178</u>	<u>636,131</u>
<u>Non-current liabilities</u>		
Convertible Redeemable Debt Securities	51,466	48,792
Borrowings	335,196	316,276
Other payable	8,500	-
Deferred tax liabilities	10,099	10,385
	<u>405,261</u>	<u>375,453</u>
<u>Current liabilities</u>		
Trade payables	415,788	309,857
Other payables	188,965	112,803
Amount due to an associate	-	28,043
Short term borrowings	141,598	167,778
Tax payable	17,523	8,530
	<u>763,874</u>	<u>627,011</u>
Total Liabilities	<u>1,169,135</u>	<u>1,002,464</u>
TOTAL EQUITY AND LIABILITIES	<u>1,877,313</u>	<u>1,638,595</u>
	-	-
Net asset per share (RM)	2.65	2.53

(The condensed consolidated balance sheets 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.)

WCT ENGINEERING BERHAD

(Company Number : 66538-K)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2006**

	UNAUDITED CUMULATIVE PERIOD CURRENT YEAR TODATE 30.06.2006 RM'000	CUMULATIVE PERIOD PRECEDING YEAR CORRESPONDING 30.06.2005 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	61,559	71,120
Adjustments for:-		
Non-cash items	18,862	11,901
Non-operating items - financing	6,821	10,317
Non-operating items - investing	(742)	(4,652)
Operating profit before working capital changes	86,500	88,686
Net changes in current assets	(61,697)	(4,240)
Net changes in current liabilities	151,062	(84,596)
Cash flows generated from /(used in) operations	175,865	(150)
Interest paid *	(11,941)	(8,716)
Interest received	6,831	6,324
Taxation paid	(10,066)	(18,594)
Net cash generated from/(used in) operating activities	160,689	(21,136)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiary net of cash acquired	5,852	407
Other investments	(31,417)	(15,176)
Net cash used in investing activities	(25,565)	(14,769)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of shares	916	68,379
Dividend paid	(11,731)	(40,800)
Sinking funds	-	(43,636)
Bank borrowings	(36,505)	12,716
Coupon payment on bonds	(3,257)	(2,975)
Net cash used in financing activities	(50,577)	(6,316)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	84,547	(42,221)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	345,454	249,381
Foreign exchange differences	(3,467)	(17)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD **	426,534	207,143
	-	

* Included in interest paid is interest capitalised amounting to RM4,219,596.

** Cash & bank balances exclude escrow account amounting to RM4,359,893 and fixed deposits held under Finance Service Reserve Account amounting to RM3,322,500.

(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 explanatory notes attached to the interim financial statements.)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2006

Note	Attributable to Equity Holders of the Parent										Minority interest	Total equity	
	Non-Distributable					Distributable							
	Share capital	Share premium	Other reserve	Exchange reserve	Capital reserve	Equity compensation reserve	Revaluation reserve	General reserve	Retained profit	Total			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<i>Preceding year corresponding period</i>													
At 1 January 2005	121,331	52,737	4,609	159	1,400	-	3,765	314	244,934	429,249	89,409	518,658	
Incidental cost incurred in relation to bonds, warrants and share issue	-	-	-	-	-	-	-	-	-	-	-	-	
Currency translation differences	-	-	-	(9)	-	-	-	-	-	(9)	(6)	(15)	
Net expense recognised directly in equity	-	-	-	(9)	-	-	-	-	-	(9)	(6)	(15)	
Profit for the period	-	-	-	-	-	-	-	-	46,944	46,944	5,610	52,554	
Total recognised income and expense for the period	-	-	-	(9)	-	-	-	-	46,944	46,935	5,604	52,539	
Arising from warrants options exercised	30,390	37,988	-	-	-	-	-	-	-	68,378	-	68,378	
Arising from share options exercised	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer to within reserve	-	-	(1,478)	-	-	-	-	-	1,478	-	-	-	
Arising from acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	160	160	
Dividends	-	-	-	-	-	-	-	-	(40,800)	(40,800)	-	(40,800)	
At 30 June 2005	151,721	90,725	3,131	150	1,400	-	3,765	314	252,556	503,762	95,173	598,935	
<i>Current year to date</i>													
Prior year adjustment													
Effects of adopting FRS 2	A2(a)	-	-	-	-	920	-	-	(920)	-	-	-	
Option Exercised	A2(a)	-	62	-	-	(62)	-	-	-	-	-	-	
At 1 January 2006		212,606	30,218	2,637	130	1,400	-	3,765	314	282,694	533,764	102,367	636,131
Effects of adopting:													
FRS 3	A2(b)	-	-	-	-	-	-	-	5,838	5,838	-	5,838	
FRS 140	A2(d)	-	-	-	-	-	(2,630)	-	1,935	(695)	(261)	(956)	
		212,606	30,280	2,637	130	1,400	858	1,135	314	289,547	538,907	102,106	641,013
Incidental cost incurred in relation to bonds, warrants and share issue		-	-	-	-	-	-	-	-	-	-	-	
Impairment losses		-	-	-	-	-	-	(155)	-	155	-	-	
Reversal of revaluation surplus of property		-	-	-	-	-	-	(119)	-	119	-	-	
Currency translation differences		-	-	-	(2,278)	-	-	-	-	(2,278)	(17)	(2,295)	
Net income/(expense) recognised directly in equity		-	-	-	(2,278)	-	-	(274)	-	274	(2,278)	(17)	(2,295)
Profit for the period		-	-	-	-	-	-	-	-	37,863	37,863	6,584	44,447
Total recognised income and expense for the period		-	-	-	(2,278)	-	-	(274)	-	38,137	35,585	6,567	42,152
Arising from share options exercised		453	462	-	-	-	-	-	-	915	-	915	
Transfer to within reserve		-	-	(618)	-	-	-	-	618	-	-	-	
Arising from acquisition of a subsidiary		-	-	-	-	-	-	-	-	-	38,449	38,449	
Share-based payment under ESOS		-	146	-	-	-	282	-	23	451	-	451	
Dividends		-	-	-	-	-	-	-	(11,731)	(11,731)	(3,071)	(14,802)	
At 30 June 2006		213,059	30,888	2,019	(2,148)	1,400	1,140	861	314	316,594	564,127	144,051	708,178

(The condensed consolidated statement of changes in equity 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.)