

WCT ENGINEERING BERHAD

(Company Number : 66538-K)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2006

(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2006

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 31.12.2006) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 31.12.2005) RM'000	CURRENT YEAR TODATE (12 months to 31.12.2006) RM'000	PRECEDING YEAR CORRESPONDING (12 months to 31.12.2005) RM'000
Revenue	585,117	187,815	1,369,798	816,270
Cost of sales	(521,400)	(153,512)	(1,168,681)	(654,001)
Gross profit	63,717	34,303	201,117	162,269
Other income	7,992	4,783	22,484	17,530
Other expenses	(3,364)	(1,052)	(8,304)	(6,141)
Administrative expenses	(13,767)	(11,604)	(42,426)	(39,444)
Finance costs	(6,687)	(7,779)	(27,239)	(30,145)
Share of profit after tax of associates	1,911	11,106	4,253	25,216
Share of loss of an unincorporated joint venture	-	(562)	(74)	(562)
	49,802	29,195	149,811	128,723
Income tax expense	(12,741)	(7,530)	(34,608)	(33,680)
Profit for the period	37,061	21,665	115,203	95,043
Attributable to:				
Equity holders of the parent	28,258	17,316	88,079	81,311
Minority interest	8,803	4,349	27,124	13,732
	37,061	21,665	115,203	95,043
Attributable to equity holders of the parent :				
Basic earnings per share (sen)	13.22	8.14	41.32	40.18
Fully diluted earnings per share (sen)	13.05	8.04	40.72	39.15

(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.)

WCT ENGINEERING BERHAD

(Company Number : 66538-K)

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2006

	UNAUDITED AS AT END OF CURRENT QUARTER 31.12.2006 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2005 RM'000
ASSETS		
<u>Non-current assets</u>		
Property, plant and equipment	365,790	197,107
Land held for development	149,635	190,046
Investment properties	95,403	49,280
Investment in associates	58,004	104,623
Other investments	19,098	18,708
Deferred tax assets	5,693	8,419
Long-term receivable	8,768	-
Negative goodwill	-	(5,838)
	<u>702,391</u>	<u>562,345</u>
<u>Current assets</u>		
Development properties	255,318	120,597
Inventories - properties	30,833	36,298
Inventories	16,713	58
Trade receivables	597,958	364,254
Other receivables	141,008	49,862
Amounts due from associates	92,282	113,695
Tax recoverable	5,925	6,244
Deposits, cash and bank balances	407,809	385,242
	<u>1,547,846</u>	<u>1,076,250</u>
TOTAL ASSETS	<u>2,250,237</u>	<u>1,638,595</u>

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CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2006 (cont'd)

	UNAUDITED AS AT END OF CURRENT QUARTER 31.12.2006 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	214,250	212,606
Reserves	379,453	321,158
	<u>593,703</u>	<u>533,764</u>
Minority interest	<u>162,472</u>	<u>102,367</u>
Total equity	<u>756,175</u>	<u>636,131</u>
<u>Non-current liabilities</u>		
Convertible Redeemable Debt Securities	54,140	48,792
Borrowings	318,671	316,276
Other payable	9,077	-
Deferred tax liabilities	8,243	10,385
	<u>390,131</u>	<u>375,453</u>
<u>Current liabilities</u>		
Trade payables	416,084	309,857
Other payables	369,045	112,803
Amount due to an associate	-	28,043
Short term borrowings	309,789	167,778
Tax payable	9,013	8,530
	<u>1,103,931</u>	<u>627,011</u>
Total Liabilities	<u>1,494,062</u>	<u>1,002,464</u>
TOTAL EQUITY AND LIABILITIES	<u>2,250,237</u>	<u>1,638,595</u>
	-	-
Net asset per share (RM)	2.77	2.54

(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.)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 12 MONTHS PERIOD ENDED 31 DECEMBER 2006

Note	Attributable to Equity Holders of the Parent									Minority interest	Total equity		
	Non-Distributable					Distributable							
	Share capital RM'000	Share premium RM'000	Other reserve RM'000	Exchange reserve RM'000	Capital reserve RM'000	Equity compensation reserve RM'000	Revaluation reserve RM'000	General reserve RM'000	Retained profit RM'000			Total RM'000	
Preceding year corresponding period													
At 1 January 2005	121,331	52,737	4,609	159	1,400	-	3,765	314	244,934	429,249	89,409	518,658	
Currency translation differences	-	-	-	(29)	-	-	-	-	-	(29)	(13)	(42)	
Net expense recognised directly in equity	-	-	-	(29)	-	-	-	-	-	(29)	(13)	(42)	
Profit for the period	-	-	-	-	-	-	-	-	81,311	81,311	13,732	95,043	
Total recognised income and expense for the period	-	-	-	(29)	-	-	-	-	81,311	81,282	13,719	95,001	
Arising from warrants options exercised	30,391	37,988	-	-	-	-	-	-	-	68,379	-	68,379	
Arising from share options exercised	140	237	-	-	-	-	-	-	-	377	-	377	
Arising from bonus issue	60,744	(60,744)	-	-	-	-	-	-	-	-	-	-	
Transfer to within reserve	-	-	(1,972)	-	-	-	-	-	1,972	-	-	-	
Arising from acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	160	160	
Dividends	-	-	-	-	-	-	-	-	(45,523)	(45,523)	(921)	(46,444)	
At 31 December 2005	212,606	30,218	2,637	130	1,400	-	3,765	314	282,694	533,764	102,367	636,131	
Current year to date													
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
Impairment losses		-	-	-	-	-	(155)	-	155	-	-	-	
Reversal of revaluation surplus of property		-	-	-	-	-	(119)	-	119	-	-	-	
Currency translation differences		-	-	-	(15,523)	-	-	-	-	(15,523)	(2,135)	(17,658)	
Net income/(expense) recognised directly in equity		-	-	-	(15,523)	-	(274)	-	274	(15,523)	(2,135)	(17,658)	
Profit for the period		-	-	-	-	-	-	-	88,079	88,079	27,124	115,203	
Total recognised income and expense for the period		-	-	-	(15,523)	-	(274)	-	88,353	72,556	24,989	97,545	
Arising from share options exercised		1,644	2,104	-	-	-	-	-	-	3,748	-	3,748	
Transfer to within reserve		-	-	(4)	-	-	-	-	4	-	-	-	
Arising from acquisition of a subsidiary		-	-	-	-	-	-	-	-	-	38,448	38,448	
Share-based payment under ESOS		-	474	-	-	-	1,049	-	-	1,523	-	1,523	
Dividends		-	-	-	-	-	-	-	(23,031)	(23,031)	(3,071)	(26,102)	
At 31 December 2006		214,250	32,858	2,633	(15,393)	1,400	1,907	861	314	354,873	593,703	162,472	756,175

(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.)

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE 12 MONTHS PERIOD ENDED 31 DECEMBER 2006**

	UNAUDITED CUMULATIVE PERIOD CURRENT YEAR TODATE 31.12.2006 RM'000	CUMULATIVE PERIOD PRECEDING YEAR CORRESPONDING 31.12.2005 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	149,811	128,723
Adjustments for:-		
Non-cash items	49,337	24,458
Non-operating items - financing	13,661	17,352
Non-operating items - investing	(262)	(22,006)
Operating profit before working capital changes	<u>212,547</u>	<u>148,527</u>
Net changes in current assets	(251,939)	(32,746)
Net changes in current liabilities	340,512	(64,762)
Cash flows generated from operations	<u>301,120</u>	<u>51,019</u>
Interest paid *	(29,265)	(26,003)
Interest received	13,578	12,793
Taxation paid	(32,935)	(40,877)
Net cash generated from/(used in) operating activities	<u>252,498</u>	<u>(3,068)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiary net of cash acquired	5,852	407
Acquisition of land	(48,500)	-
Other investments	(109,736)	(7,776)
Net cash used in investing activities	<u>(152,384)</u>	<u>(7,369)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of shares	3,749	68,756
Dividend paid	(23,031)	(45,523)
Sinking funds	-	81,398
Bank borrowings	(17,625)	6,508
Coupon payment on bonds	(6,677)	(4,586)
Net cash (used in)/generated from financing activities	<u>(43,584)</u>	<u>106,553</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	56,530	96,116
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	345,454	249,381
Foreign exchange differences	(9,795)	(42)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD **	<u>392,189</u>	<u>345,455</u>
	-	-

* Included in interest paid is interest capitalised amounting to RM14,051,834.

** Cash & bank balances exclude escrow and redemption account amounting to RM2,439,863 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.)