

WCT ENGINEERING BERHAD

(Company Number : 66538-K)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2007

(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2007

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 31.03.2007) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 31.03.2006) RM'000	CURRENT YEAR TODATE (3 months to 31.03.2007) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 31.03.2006) RM'000
Revenue	550,723	149,632	550,723	149,632
Cost of sales	(493,930)	(101,244)	(493,930)	(101,244)
Gross profit	56,793	48,388	56,793	48,388
Other income	10,648	8,331	10,648	8,331
Other expenses	(4,789)	(5,888)	(4,789)	(5,888)
Administrative expenses	(12,042)	(9,299)	(12,042)	(9,299)
Finance costs	(5,936)	(7,039)	(5,936)	(7,039)
Share of profit/(loss) after tax of associates	1,605	(98)	1,605	(98)
	46,279	34,395	46,279	34,395
Income tax expense	(9,077)	(11,252)	(9,077)	(11,252)
Profit for the period	37,202	23,143	37,202	23,143
Attributable to:				
Equity holders of the parent	27,183	20,663	27,183	20,663
Minority interest	10,019	2,480	10,019	2,480
	37,202	23,143	37,202	23,143
Attributable to equity holders of the parent :				
Basic earnings per share (sen)	12.48	9.72	12.48	9.72
Fully diluted earnings per share (sen)	12.11	9.66	12.11	9.66

(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.)

WCT ENGINEERING BERHAD

(Company Number : 66538-K)

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2007

	UNAUDITED AS AT END OF CURRENT QUARTER 31.03.2007 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2006 RM'000
ASSETS		
<u>Non-current assets</u>		
Property, plant and equipment	386,966	365,790
Land held for property development	154,531	149,635
Investment properties	95,402	95,402
Investment in associates	138,747	140,177
Other investments	18,648	19,098
Deferred tax assets	5,294	5,887
	<u>799,588</u>	<u>775,989</u>
<u>Current assets</u>		
Property development costs	253,561	255,318
Properties	38,712	30,833
Inventories	783	637
Trade receivables	718,211	625,907
Other receivables	158,239	141,090
Amounts due from associates	9,186	18,877
Tax recoverable	5,991	5,924
Deposits, cash and bank balances	385,243	411,589
	<u>1,569,926</u>	<u>1,490,175</u>
TOTAL ASSETS	<u>2,369,514</u>	<u>2,266,164</u>

WCT ENGINEERING BERHAD

(Company Number : 66538-K)

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2007 (Cont'd)

	UNAUDITED AS AT END OF CURRENT QUARTER 31.03.2007 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2006 RM'000
EQUITY AND LIABILITIES		
<u>Equity attributable to equity holders of the parent</u>		
Share capital	219,430	214,250
Reserves	404,740	378,821
	<u>624,170</u>	<u>593,071</u>
Minority interests	<u>172,389</u>	<u>163,102</u>
Total equity	<u>796,559</u>	<u>756,173</u>
<u>Non-current liabilities</u>		
Long term payables	-	9,078
Convertible Redeemable Debt Securities	55,248	54,139
Borrowings	308,473	318,554
Deferred tax liabilities	7,530	7,739
	<u>371,251</u>	<u>389,510</u>
<u>Current liabilities</u>		
Trade payables	459,983	429,251
Other payables	341,752	366,279
Amounts due to associates	-	5,335
Short term borrowings	387,383	309,904
Tax payable	12,586	9,712
	<u>1,201,704</u>	<u>1,120,481</u>
Total Liabilities	<u>1,572,955</u>	<u>1,509,991</u>
TOTAL EQUITY AND LIABILITIES	<u>2,369,514</u>	<u>2,266,164</u>
	-	-
Net asset per share (RM)	2.84	2.77

(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.)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 3 MONTHS PERIOD ENDED 31 MARCH 2007

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
Preceding year corresponding period												
At 1 January 2006	212,606	30,218	2,637	130	1,400	-	3,765	314	282,694	533,764	102,367	636,131
Prior year adjustment												
Effects of adopting FRS 2	-	-	-	-	-	921	-	-	(921)	-	-	-
Option Exercised	-	62	-	-	-	(62)	-	-	-	-	-	-
At 1 January 2006 (restated)	212,606	30,280	2,637	130	1,400	859	3,765	314	281,773	533,764	102,367	636,131
Effects of adopting:												
FRS 3	-	-	-	-	-	-	-	-	5,838	5,838	-	5,838
FRS 140	-	-	-	-	-	-	(2,631)	-	1,936	(695)	(261)	(956)
	212,606	30,280	2,637	130	1,400	859	1,134	314	289,547	538,907	102,106	641,013
Impairment loss	-	-	-	-	-	-	(155)	-	-	(155)	-	(155)
Transfer within reserve	-	-	-	-	-	-	(118)	-	118	-	-	-
Currency translation differences	-	-	-	(924)	-	-	-	-	-	(924)	7	(917)
Net income/(expense) recognised directly in equity	-	-	-	(924)	-	-	(273)	-	118	(1,079)	7	(1,072)
Profit for the period	-	-	-	-	-	-	-	-	20,663	20,663	2,480	23,143
Total recognised income and expense for the period	-	-	-	(924)	-	-	(273)	-	20,781	19,584	2,487	22,071
Arising from share options exercised	44	41	-	-	-	-	-	-	-	85	-	85
Transfer to within reserve	-	-	(190)	-	-	-	-	-	190	-	-	-
Arising from acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	38,449	38,449
Share-based payment under ESOS	-	19	-	-	-	(37)	-	-	18	-	-	-
At 31 March 2006	212,650	30,340	2,447	(794)	1,400	822	861	314	310,536	558,576	143,042	701,618
Current year to date												
At 1 January 2007	214,250	32,848	1,454	(15,394)	1,400	1,295	861	1,493	354,864	593,071	163,102	756,173
Currency translation differences	-	-	-	(11,375)	-	-	-	(75)	-	(11,450)	(1,170)	(12,620)
Net income/(expense) recognised directly in equity	-	-	-	(11,375)	-	-	-	(75)	-	(11,450)	(1,170)	(12,620)
Profit for the period	-	-	-	-	-	-	-	-	27,183	27,183	10,019	37,202
Total recognised income and expense for the period	-	-	-	(11,375)	-	-	-	(75)	27,183	15,733	8,849	24,582
Arising from share options exercised	5,180	8,986	-	-	-	-	-	-	-	14,166	-	14,166
Transfer to within reserve	-	-	(283)	-	-	-	-	-	283	-	-	-
Share options granted under ESOS	-	-	-	-	-	1,383	-	-	-	1,383	-	1,383
Share options granted under ESOS of a subsidiary	-	-	-	-	-	-	-	-	-	-	88	88
Transfer within reserve for ESOS exercised	-	966	-	-	-	(966)	-	-	-	-	-	-
Arising from dilution of a subsidiary	-	-	-	-	-	-	-	-	(183)	(183)	350	167
At 31 March 2007	219,430	42,800	1,171	(26,769)	1,400	1,712	861	1,418	382,147	624,170	172,389	796,559

(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.)

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE 3 MONTHS PERIOD ENDED 31 MARCH 2007**

	UNAUDITED CUMULATIVE PERIOD CURRENT YEAR TODATE 31.03.2007 RM'000	CUMULATIVE PERIOD PRECEDING YEAR CORRESPONDING 31.03.2006 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	46,279	34,395
Adjustments for:-		
Non-cash items	18,237	7,248
Non-operating items - financing	500	1,107
Non-operating items - investing	(1,128)	15
Operating profit before working capital changes	<u>63,888</u>	<u>42,765</u>
Net changes in current assets	(110,226)	39,164
Net changes in current liabilities	(2,872)	(23,166)
Cash flows (cash in)/generated from operations	<u>(49,210)</u>	<u>58,763</u>
Interest paid *	(11,102)	(1,349)
Interest received	5,437	5,932
Taxation paid	(5,883)	(5,573)
Net cash (used in)/generated from operating activities	<u>(60,758)</u>	<u>57,773</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiary net of cash acquired	-	5,852
Other investments	(35,801)	4,983
Net cash (used in)/generated from investing activities	<u>(35,801)</u>	<u>10,835</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of shares	14,180	85
Bank borrowings	49,158	(48,603)
Net cash generated from/(used in) financing activities	<u>63,338</u>	<u>(48,518)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	(33,221)	20,090
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	395,969	345,454
Foreign exchange differences	(4,182)	708
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD **	<u><u>358,566</u></u>	<u><u>366,252</u></u>

* Included in interest paid is interest capitalised amounting to RM6,274,386.

** Cash & bank balances exclude escrow and redemption account amounting to RM983,890 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 2006 and the accompanying explanatory notes attached to the interim financial statements.)