

**WCT ENGINEERING BERHAD**

(Company Number : 66538-K)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2007**

( The figures have not been audited )

**CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SECOND QUARTER ENDED 30 JUNE 2007**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE PERIOD</b>	
	<b>CURRENT YEAR QUARTER (3 months to 30.06.2007) RM'000</b>	<b>PRECEDING YEAR CORRESPONDING (3 months to 30.06.2006) RM'000</b>	<b>CURRENT YEAR TODATE (6 months to 30.06.2007) RM'000</b>	<b>PRECEDING YEAR CORRESPONDING (6 months to 30.06.2006) RM'000</b>
Revenue	768,316	218,722	1,319,039	368,354
Cost of sales	(674,051)	(177,709)	(1,167,981)	(278,953)
<b>Gross profit</b>	<b>94,265</b>	<b>41,013</b>	<b>151,058</b>	<b>89,401</b>
Other income	12,648	2,671	23,296	9,669
Other expenses	(3,164)	(622)	(7,953)	(5,177)
Administrative expenses	(15,734)	(10,152)	(27,776)	(19,451)
Finance costs	(6,404)	(6,613)	(12,340)	(13,652)
Share of profit after tax of associates	2,960	867	4,565	769
	<b>84,571</b>	<b>27,164</b>	<b>130,850</b>	<b>61,559</b>
Income tax expense	(23,167)	(5,860)	(32,244)	(17,112)
<b>Profit for the period</b>	<b>61,404</b>	<b>21,304</b>	<b>98,606</b>	<b>44,447</b>
Attributable to:				
Equity holders of the parent	33,791	17,200	60,974	37,863
Minority interest	27,613	4,104	37,632	6,584
	<b>61,404</b>	<b>21,304</b>	<b>98,606</b>	<b>44,447</b>
Attributable to equity holders of the parent :				
Basic earnings per share (sen)	15.00	8.08	27.52	17.80
Fully diluted earnings per share (sen)	14.69	7.99	26.73	17.59

(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 30 JUNE 2007**

	UNAUDITED AS AT END OF CURRENT QUARTER 30.06.2007 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2006 RM'000
<b>ASSETS</b>		
<b><u>Non-current assets</u></b>		
Property, plant and equipment	411,841	365,790
Land held for property development	156,914	149,635
Investment properties	95,403	95,402
Investment in associates	141,715	140,177
Other investments	18,198	19,098
Deferred tax assets	5,130	5,887
	<hr/> 829,201	<hr/> 775,989
<b><u>Current assets</u></b>		
Property development costs	244,344	255,318
Properties	35,497	30,833
Inventories	825	637
Trade receivables	919,840	625,907
Other receivables	195,529	141,090
Amounts due from associates	600	18,877
Tax recoverable	6,335	5,924
Deposits, cash and bank balances	399,183	411,589
	<hr/> 1,802,153	<hr/> 1,490,175
<b>TOTAL ASSETS</b>	<hr/> <b>2,631,354</b>	<hr/> <b>2,266,164</b>

**WCT ENGINEERING BERHAD**

(Company Number : 66538-K)

**CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2007 (Cont'd)**

	UNAUDITED AS AT END OF CURRENT QUARTER 30.06.2007 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2006 RM'000
<b>EQUITY AND LIABILITIES</b>		
<b><u>Equity attributable to equity holders of the parent</u></b>		
Share capital	227,096	214,250
Reserves	454,089	378,821
	<u>681,185</u>	<u>593,071</u>
<b>Minority interests</b>	208,737	163,102
<b>Total equity</b>	<u>889,922</u>	<u>756,173</u>
<b><u>Non-current liabilities</u></b>		
Long term payables	-	9,078
Convertible Redeemable Debt Securities	56,357	54,139
Borrowings	305,413	318,554
Deferred tax liabilities	7,813	7,739
	<u>369,583</u>	<u>389,510</u>
<b><u>Current liabilities</u></b>		
Trade payables	505,065	429,251
Other payables	369,155	366,279
Amounts due to associates	-	5,335
Short term borrowings	467,433	309,904
Tax payable	30,196	9,712
	<u>1,371,849</u>	<u>1,120,481</u>
<b>Total Liabilities</b>	<u>1,741,432</u>	<u>1,509,991</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>2,631,354</u>	<u>2,266,164</u>
	-	-
Net asset per share (RM)	3.00	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 6 MONTHS PERIOD ENDED 30 JUNE 2007**

	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
<b>Preceding year corresponding period</b>												
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	-	-	-
Transfer within reserve	-	-	-	-	-	-	(118)	-	118	-	-	-
Currency translation differences	-	-	-	(2,278)	-	-	-	-	-	(2,278)	(17)	(2,295)
Net income/(expense) recognised directly in equity	-	-	-	(2,278)	-	-	(273)	-	273	(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)	-	-	(273)	-	38,136	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
Dividends	-	-	-	-	-	-	-	-	(11,731)	(11,731)	(3,071)	(14,802)
Share-based payment under ESOS	-	146	-	-	-	282	-	-	23	451	-	451
At 30 June 2006	213,059	30,888	2,019	(2,148)	1,400	1,141	861	314	316,593	564,127	144,051	708,178
<b>Current year to date</b>												
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	-	-	-	(14,015)	-	-	-	(75)	-	(14,090)	(1,284)	(15,375)
Net income/(expense) recognised directly in equity	-	-	-	(14,015)	-	-	-	(75)	-	(14,090)	(1,284)	(15,375)
Profit for the period	-	-	-	-	-	-	-	-	60,974	60,974	37,632	98,606
Total recognised income and expense for the period	-	-	-	(14,015)	-	-	-	(75)	60,974	46,884	36,348	83,231
Arising from share options exercised	12,846	25,920	-	-	-	-	-	-	-	38,766	-	38,766
Transfer to within reserve	-	-	(571)	-	-	-	-	-	571	-	-	-
Share options granted under ESOS	-	-	-	-	-	1,383	-	-	-	1,383	-	1,383
Share options granted under ESOS of a subsidiary	-	-	-	-	-	-	-	-	-	-	219	219
Transfer within reserve for ESOS exercised	-	966	-	-	-	(966)	-	-	-	-	-	-
Amount transferred to capital reserve on bonus issue of a subsidiary	-	-	-	-	1,446	-	-	-	-	1,446	-	1,446
Arising from dilution of subsidiaries	-	-	-	-	-	-	-	-	(365)	(365)	9,069	8,704
At 30 June 2007	227,096	59,734	883	(29,409)	2,846	1,712	861	1,418	416,044	681,185	208,737	889,922

(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.)

**WCT ENGINEERING BERHAD**

(Company Number : 66538-K)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2007**

	UNAUDITED CUMULATIVE PERIOD CURRENT YEAR TODATE 30.06.2007 RM'000	CUMULATIVE PERIOD PRECEDING YEAR CORRESPONDING 30.06.2006 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	130,850	61,559
Adjustments for:-		
Non-cash items	31,652	18,862
Non-operating items - financing	4,203	6,821
Non-operating items - investing	(5,772)	(742)
Operating profit before working capital changes	<u>160,933</u>	<u>86,500</u>
Net changes in current assets	(326,511)	(61,697)
Net changes in current liabilities	69,614	151,062
Cash flows (cash in)/generated from operations	<u>(95,964)</u>	<u>175,865</u>
Interest paid *	(20,869)	(11,941)
Interest received	8,136	6,831
Taxation paid	(11,337)	(10,066)
Net cash (used in)/generated from operating activities	<u>(120,034)</u>	<u>160,689</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of subsidiary net of cash acquired	-	5,852
Property, plant and equipment	(24,231)	(31,417)
Net cash used in investing activities	<u>(24,231)</u>	<u>(25,565)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of shares	39,699	916
Dividend paid	-	(11,731)
Coupon payment on bonds	-	(3,257)
Bank borrowings	65,325	(36,505)
Net cash generated from/(used in) financing activities	<u>105,024</u>	<u>(50,577)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	(39,241)	84,547
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	395,969	345,454
Foreign exchange differences	(9,041)	(3,467)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD **	<u><u>347,687</u></u>	<u><u>426,534</u></u>

\* Included in interest paid is interest capitalised amounting to RM10,746,344.

\*\* Cash & bank balances exclude escrow and redemption account amounting to RM801,404 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.)**