

WCT ENGINEERING BERHAD

(Company Number : 66538-K)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 30.09.2007) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 30.09.2006) RM'000	CURRENT YEAR TODATE (9 months to 30.09.2007) RM'000	PRECEDING YEAR CORRESPONDING (9 months to 30.09.2006) RM'000
Revenue	630,843	416,327	1,949,882	784,681
Cost of sales	(548,842)	(368,328)	(1,716,823)	(647,281)
Gross profit	82,001	47,999	233,059	137,400
Other income	13,431	7,489	36,727	15,825
Other expenses	(1,107)	(2,429)	(9,060)	(6,273)
Administrative expenses	(17,846)	(9,208)	(45,622)	(28,659)
Finance costs	(6,988)	(6,900)	(19,328)	(20,552)
Share of profit after tax of associates	1,127	1,573	5,692	2,342
Share of loss of an unincorporated joint venture	-	(74)	-	(74)
	70,618	38,450	201,468	100,009
Income tax expense	(7,565)	(4,755)	(39,809)	(21,867)
Profit for the period	63,053	33,695	161,659	78,142
Attributable to:				
Equity holders of the parent	38,947	21,958	99,921	59,821
Minority interest	24,106	11,737	61,738	18,321
	63,053	33,695	161,659	78,142
Attributable to equity holders of the parent :				
Basic earnings per share (sen)	12.73	7.72 *	33.43	21.07 *
Fully diluted earnings per share (sen)	10.87	7.63 *	28.22	20.81 *

(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.)

* 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 2006.

WCT ENGINEERING BERHAD

(Company Number : 66538-K)

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2007

	UNAUDITED AS AT END OF CURRENT QUARTER 30.09.2007 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2006 RM'000
ASSETS		
<u>Non-current assets</u>		
Property, plant and equipment	481,831	365,790
Land held for property development	163,383	149,635
Investment properties	95,403	95,402
Investment in associates	141,279	140,177
Other investments	17,748	19,098
Deferred tax assets	5,602	5,887
	<u>905,246</u>	<u>775,989</u>
<u>Current assets</u>		
Property development costs	226,995	255,318
Properties	37,331	30,833
Inventories	2,679	637
Trade receivables	1,143,958	625,907
Other receivables	136,730	141,090
Amounts due from associates	-	18,877
Tax recoverable	8,476	5,924
Deposits, cash and bank balances	569,528	411,589
	<u>2,125,697</u>	<u>1,490,175</u>
TOTAL ASSETS	<u>3,030,943</u>	<u>2,266,164</u>

WCT ENGINEERING BERHAD

(Company Number : 66538-K)

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

	UNAUDITED AS AT END OF CURRENT QUARTER 30.09.2007 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	309,262	214,250
Reserves	564,870	378,821
	<u>874,132</u>	<u>593,071</u>
Minority interests	<u>238,428</u>	<u>163,102</u>
Total equity	<u>1,112,560</u>	<u>756,173</u>
<u>Non-current liabilities</u>		
Long term payables	-	9,078
Convertible Redeemable Debt Securities	57,465	54,139
Borrowings	311,907	318,554
Deferred tax liabilities	5,871	7,739
	<u>375,243</u>	<u>389,510</u>
<u>Current liabilities</u>		
Trade payables	686,111	429,251
Other payables	323,971	366,279
Amounts due to associates	-	5,335
Short term borrowings	510,774	309,904
Tax payable	22,284	9,712
	<u>1,543,140</u>	<u>1,120,481</u>
Total Liabilities	<u>1,918,383</u>	<u>1,509,991</u>
TOTAL EQUITY AND LIABILITIES	<u>3,030,943</u>	<u>2,266,164</u>
	-	-
Net asset per share (RM)	2.83	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 9 MONTHS PERIOD ENDED 30 SEPTEMBER 2007

	Attributable to Equity Holders of the Parent										Minority interest	Total equity	
	Non-Distributable					Distributable							
Note	Share capital	Preference Shares	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	-	-	-	-	-	-	921	-	-	(921)	-	-	-
Effects of adopting FR 2	-	-	62	-	-	-	(62)	-	-	-	-	-	-
Option Exercised	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	(2,631)	-	5,838	5,838	-	5,838
FRS 140	-	-	-	-	-	-	-	1,936	-	(695)	(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	-	-	-
Transfer to within reserve	-	-	900	(779)	-	-	-	-	-	121	-	-	121
Transfer to within reserve	-	-	-	-	-	-	-	-	-	779	-	-	779
Arising from acquisition of a subsidiary	-	-	-	-	-	-	-	(4,858)	-	-	(4,858)	(18)	(4,876)
Currency translation differences	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income/(expense) recognised directly in equity	-	-	-	-	-	-	-	(273)	-	273	(4,858)	(18)	(4,876)
Profit for the period	-	-	-	-	-	-	-	-	-	59,821	59,821	18,321	78,142
Total recognised income and expense for the period	-	-	-	-	-	-	-	(273)	-	60,094	54,963	18,303	73,266
At 30 September 2006	213,516	-	31,326	1,858	(4,728)	1,400	1,164	861	314	327,997	573,708	155,787	729,495
Arising from share options exercised	910	-	900	-	-	-	-	-	-	-	1,810	-	1,810
Transfer to within reserve	-	-	-	(779)	-	-	-	-	-	779	-	-	-
Transfer to within reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Arising from acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	38,449	38,449
Dividends	-	-	-	-	-	-	-	-	-	(22,423)	(22,423)	(3,071)	(25,494)
Share-based payment under ESOS	-	-	146	-	-	-	305	-	-	-	451	-	451
At 30 September 2006	213,516	-	31,326	1,858	(4,728)	1,400	1,164	861	314	327,997	573,708	155,787	729,495
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	-	-	-	-	(9,374)	-	-	-	(1)	-	(9,375)	(2,405)	(11,780)
Net income/(expense) recognised directly in equity	-	-	-	-	(9,374)	-	-	-	(1)	-	(9,375)	(2,405)	(11,780)
Profit for the period	-	-	-	-	(9,374)	-	-	-	(1)	-	(9,375)	(2,405)	(11,780)
Total recognised income and expense for the period	-	-	-	-	(9,374)	-	-	-	(1)	-	(9,375)	(2,405)	(11,780)
At 30 September 2007	309,262	44,924	138,623	797	(24,768)	2,846	862	861	1,492	399,233	874,132	238,428	1,112,560
Arising from share options exercised	13,771	-	27,346	-	-	-	-	-	-	-	41,117	-	41,117
Arising from bonus issue	75,699	-	(25,000)	-	-	-	-	-	-	(50,699)	-	-	-
Issue of Irredeemable Convertible Preference Shares ("ICPS")	-	50,466	100,932	-	-	-	-	-	-	-	151,398	-	151,398
Arising from conversion of ICPS	5,542	(5,542)	-	-	-	-	-	-	-	-	-	-	-
Transfer to within reserve	-	-	-	(657)	-	-	2,064	-	-	657	-	-	-
Share options granted under ESOS	-	-	-	-	-	-	-	-	-	-	2,064	224	2,288
Share options granted under ESOS of a subsidiary	-	-	2,497	-	-	-	(2,497)	-	-	-	-	-	-
Transfer within reserve for ESOS exercised	-	-	-	-	-	1,446	-	-	-	-	1,446	-	1,446
Amount transferred to capital reserve on bonus issue of a subsidiary	-	-	-	-	-	-	-	-	-	-	11,068	19,476	30,544
Arising from dilution of subsidiaries	-	-	-	-	-	-	-	-	-	-	(16,578)	(3,706)	(20,284)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-

(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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(Company Number : 66538-K)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE 9 MONTHS PERIOD ENDED 30 SEPTEMBER 2007**

	UNAUDITED CUMULATIVE PERIOD CURRENT YEAR TODATE 30.09.2007 RM'000	CUMULATIVE PERIOD PRECEDING YEAR CORRESPONDING 30.09.2006 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	201,468	100,009
Adjustments for:-		
Non-cash items	45,187	23,560
Non-operating items - financing	5,992	9,424
Non-operating items - investing	(8,328)	1,742
Operating profit before working capital changes	<u>244,319</u>	<u>134,735</u>
Net changes in current assets	(480,820)	(223,860)
Net changes in current liabilities	205,475	228,350
Cash flows (cash in)/generated from operations	<u>(31,026)</u>	<u>139,225</u>
Interest paid *	(31,696)	(21,957)
Interest received	13,336	11,128
Taxation paid	(31,369)	(24,975)
Net cash (used in)/generated from operating activities	<u>(80,755)</u>	<u>103,421</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiary net of cash acquired	-	5,852
Proceed from disposal of shares	30,316	-
Acquisition of land	-	(40,000)
Property, plant and equipment	(73,691)	(14,779)
Placement in escrow, redemption and FSRA accounts	1,602	-
Net cash used in investing activities	<u>(41,773)</u>	<u>(48,927)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from issuance of shares	42,169	1,810
Proceed from issuance of ICPS	151,397	-
Dividend paid	(20,284)	(22,423)
Coupon payment on bonds	-	(4,932)
Bank borrowings	77,063	22,475
Net cash generated from/(used in) financing activities	<u>250,345</u>	<u>(3,070)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	127,817	51,424
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	395,969	345,454
Foreign exchange differences	8,265	(10,042)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD **	<u>532,051</u>	<u>386,836</u>

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

** Cash & bank balances exclude escrow and redemption account amounting to RM837,128 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.)