

WCT ENGINEERING BERHAD

(Company Number : 66538-K)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2007

(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2007

| | INDIVIDUAL QUARTER | | CUMULATIVE PERIOD | |
|---|--|--|--|---|
| | CURRENT YEAR QUARTER (3 months to 31.12.2007) RM'000 | PRECEDING YEAR CORRESPONDING (3 months to 31.12.2006) RM'000 | CURRENT YEAR TODATE (12 months to 31.12.2007) RM'000 | PRECEDING YEAR CORRESPONDING (12 months to 31.12.2006) RM'000 |
| Revenue | 885,240 | 615,693 | 2,835,122 | 1,400,374 |
| Cost of sales | (838,253) | (541,862) | (2,555,076) | (1,189,143) |
| Gross profit | 46,987 | 73,831 | 280,046 | 211,231 |
| Other income | 31,788 | 6,934 | 68,515 | 22,759 |
| Other expenses | (2,936) | (12,284) | (11,996) | (18,557) |
| Administrative expenses | (9,358) | (13,870) | (54,980) | (42,529) |
| Finance costs | (6,914) | (6,793) | (26,242) | (27,345) |
| Share of profit after tax of associates | 4,112 | 1,911 | 9,804 | 4,253 |
| Share of profit of an unincorporated joint venture | - | 74 | - | - |
| | 63,679 | 49,803 | 265,147 | 149,812 |
| Income tax expense | 192 | (12,741) | (39,617) | (34,608) |
| Profit for the period | 63,871 | 37,062 | 225,530 | 115,204 |
| Attributable to: | | | | |
| Equity holders of the parent | 46,798 | 28,259 | 146,719 | 88,080 |
| Minority interest | 17,073 | 8,803 | 78,811 | 27,124 |
| | 63,871 | 37,062 | 225,530 | 115,204 |
| Attributable to equity holders of the parent : | | | | |
| Basic earnings per share (sen) | 14.33 | 9.91 * | 47.97 | 30.99 * |
| Fully diluted earnings per share (sen) | 12.97 | 9.79 * | 41.89 | 30.57 * |

(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 31 DECEMBER 2007

| | UNAUDITED AS AT END OF CURRENT QUARTER 31.12.2007 RM'000 | AUDITED AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2006 RM'000 |
|------------------------------------|---|---|
| ASSETS | | |
| <u>Non-current assets</u> | | |
| Property, plant and equipment | 315,753 | 365,790 |
| Land held for property development | 154,690 | 149,635 |
| Investment properties | 410,566 | 95,402 |
| Investment in associates | 141,018 | 140,177 |
| Other investments | 15,498 | 19,098 |
| Deferred tax assets | 6,211 | 5,887 |
| | <u>1,043,736</u> | <u>775,989</u> |
| <u>Current assets</u> | | |
| Property development costs | 228,891 | 255,318 |
| Properties | 36,066 | 30,833 |
| Inventories | 57,536 | 637 |
| Trade receivables | 1,121,117 | 625,907 |
| Other receivables | 188,246 | 147,014 |
| Amounts due from associates | - | 18,877 |
| Deposits, cash and bank balances | 710,829 | 411,589 |
| | <u>2,342,685</u> | <u>1,490,175</u> |
| TOTAL ASSETS | <u>3,386,421</u> | <u>2,266,164</u> |

WCT ENGINEERING BERHAD

(Company Number : 66538-K)

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

| | UNAUDITED AS AT END OF CURRENT QUARTER 31.12.2007 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 | 338,966 | 214,250 |
| Reserves | 560,163 | 378,821 |
| | <u>899,129</u> | <u>593,071</u> |
| Minority interests | 265,266 | 163,102 |
| Total equity | <u>1,164,396</u> | <u>756,173</u> |
| <u>Non-current liabilities</u> | | |
| Long term payables | - | 9,078 |
| Convertible Redeemable Debt Securities | 55,381 | 54,139 |
| Borrowings | 358,203 | 318,554 |
| Deferred tax liabilities | 2,188 | 7,739 |
| | <u>415,772</u> | <u>389,510</u> |
| <u>Current liabilities</u> | | |
| Trade payables | 967,189 | 429,251 |
| Other payables | 302,154 | 366,279 |
| Amounts due to associates | 368 | 5,335 |
| Short term borrowings | 529,213 | 309,904 |
| Tax payable | 7,329 | 9,712 |
| | <u>1,806,253</u> | <u>1,120,481</u> |
| Total Liabilities | <u>2,222,025</u> | <u>1,509,991</u> |
| TOTAL EQUITY AND LIABILITIES | <u>3,386,421</u> | <u>2,266,164</u> |
| Net asset per share (RM) | 2.65 | 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 12 MONTHS PERIOD ENDED 31 DECEMBER 2007

| Note | Attributable to Equity Holders of the Parent | | | | | | | | | | | Minority interest | Total equity |
|--|--|-------------------|---------------|---------------|------------------|-----------------|-----------------------------|---------------------|-----------------|-----------------|----------|-------------------|--------------|
| | Non-Distributable | | | | | | Distributable | | | | | | |
| | 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 | 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 |
| Transfer within reserve | - | - | - | - | - | - | - | (273) | - | 273 | - | - | - |
| Realisation of other reserve | - | - | - | (1,183) | - | - | - | - | - | 1,183 | - | - | - |
| Currency translation differences | - | - | - | - | (15,524) | - | - | - | - | - | (15,524) | (2,135) | (17,659) |
| Net income/(expense) recognised directly in equity | - | - | - | (1,183) | (15,524) | - | - | (273) | - | 1,456 | (15,524) | (2,135) | (17,659) |
| Profit for the period | - | - | - | - | - | - | - | - | - | 88,080 | 88,080 | 27,124 | 115,204 |
| Total recognised income and expense for the period | - | - | - | (1,183) | (15,524) | - | - | (273) | - | 89,536 | 72,556 | 24,989 | 97,545 |
| Arising from share options exercised | 1,644 | - | 2,103 | - | - | - | - | - | - | - | 3,747 | - | 3,747 |
| Transfer within reserve for ESOS exercised | - | - | 465 | - | - | - | (465) | - | - | - | - | - | - |
| Arising from dilution of a subsidiary | - | - | - | - | - | - | - | - | - | (9) | (9) | 9 | - |
| Transfer of reserve | - | - | - | - | - | - | - | - | 1,179 | (1,179) | - | - | - |
| Arising from acquisition of a subsidiary | - | - | - | - | - | - | - | - | - | - | - | 38,448 | 38,448 |
| Share options granted under ESOS of a subsidiary | - | - | - | - | - | - | - | - | - | - | - | 621 | 621 |
| Dividends | - | - | - | - | - | - | - | - | - | (23,031) | (23,031) | - | (23,031) |
| Dividends paid to minority shareholders | - | - | - | - | - | - | - | - | - | - | - | (3,071) | (3,071) |
| Share-based payment under ESOS | - | - | - | - | - | - | 901 | - | - | - | 901 | - | 901 |
| At 31 December 2006 | 214,250 | - | 32,848 | 1,454 | (15,394) | 1,400 | 1,295 | 861 | 1,493 | 354,864 | 593,071 | 163,102 | 756,173 |
| 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 | - | - | - | - | (13,702) | - | - | - | (1) | - | (13,703) | (1,534) | (15,237) |
| Net income/(expense) recognised directly in equity | - | - | - | - | (13,702) | - | - | - | (1) | - | (13,703) | (1,534) | (15,237) |
| Profit for the period | - | - | - | - | - | - | - | - | - | 146,719 | 146,719 | 78,811 | 225,530 |
| Total recognised income and expense for the period | - | - | - | - | (13,702) | - | - | - | (1) | 146,719 | 133,016 | 77,277 | 210,293 |
| Arising from share options exercised | 15,119 | - | 29,479 | - | - | - | - | - | - | - | 44,598 | - | 44,598 |
| Arising from bonus issue | 75,698 | - | (25,000) | - | - | - | - | - | - | (50,698) | - | - | - |
| Issue of Irredeemable Convertible Preference Shares ("ICPS") | - | 50,466 | 100,932 | - | - | - | - | - | - | - | 151,398 | - | 151,398 |
| Arising from conversion of ICPS | 33,899 | (33,899) | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to within reserve | - | - | - | (703) | - | - | - | - | - | 703 | - | - | - |
| Share options granted under ESOS | - | - | - | - | - | - | 2,753 | - | - | - | 2,753 | - | 2,753 |
| Share options granted under ESOS of a subsidiary | - | - | - | - | - | - | - | - | - | - | - | 1,261 | 1,261 |
| Transfer within reserve for ESOS exercised | - | - | 2,683 | - | - | - | (2,683) | - | - | - | - | - | - |
| Amount transferred to capital reserve on bonus issue of a subsidiary | - | - | - | - | - | 1,446 | - | - | - | - | 1,446 | - | 1,446 |
| Arising from dilution of subsidiaries | - | - | - | - | - | - | - | - | - | (10,574) | (10,574) | 27,332 | 16,758 |
| Dividends | - | - | - | - | - | - | - | - | - | (16,578) | (16,578) | (3,706) | (20,284) |
| At 31 December 2007 | 338,966 | 16,567 | 140,942 | 751 | (29,096) | 2,846 | 1,365 | 861 | 1,492 | 424,436 | 899,130 | 265,266 | 1,164,396 |

(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 12 MONTHS PERIOD ENDED 31 DECEMBER 2007**

| | UNAUDITED CUMULATIVE PERIOD CURRENT YEAR TODATE 31.12.2007 RM'000 | CUMULATIVE PERIOD PRECEDING YEAR CORRESPONDING 31.12.2006 RM'000 |
|--|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 265,147 | 149,812 |
| Adjustments for:- | | |
| Non-cash items | 55,850 | 49,337 |
| Non-operating items - financing | 9,781 | 13,661 |
| Non-operating items - investing | (29,239) | (262) |
| Operating profit before working capital changes | <u>301,539</u> | <u>212,548</u> |
| Net changes in current assets | (533,451) | (231,939) |
| Net changes in current liabilities | 464,736 | 340,512 |
| Cash flows (cash in)/generated from operations | <u>232,824</u> | <u>301,120</u> |
| Interest paid * | (43,735) | (29,265) |
| Interest received | 16,460 | 13,578 |
| Taxation paid | (58,210) | (32,935) |
| Net cash (used in)/generated from operating activities | <u>147,339</u> | <u>252,498</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 | - | (48,500) |
| Property, plant and equipment | (111,919) | (109,736) |
| Placement in escrow, redemption and FSRA accounts | 1,602 | - |
| Net cash used in investing activities | <u>(80,001)</u> | <u>(152,384)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceed from issuance of shares | 79,599 | 3,749 |
| Proceed from issuance of ICPS | 123,041 | - |
| Dividend paid | (36,970) | (23,031) |
| Coupon payment on bonds | - | (6,677) |
| Bank borrowings | 37,278 | (17,625) |
| Net cash generated from/(used in) financing activities | <u>202,948</u> | <u>(43,584)</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD | 270,286 | 56,530 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD | 395,969 | 345,454 |
| Foreign exchange differences | (4,747) | (9,795) |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD ** | <u>661,508</u> | <u>392,189</u> |

* Included in interest paid is interest capitalised amounting to RM18,813,945.

** Cash & bank balances exclude escrow and redemption account amounting to RM716,777 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.)