

WCT ENGINEERING BERHAD

(Company Number : 66538-K)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2008

(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2008

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 31.03.2008) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 31.03.2007) RM'000	CURRENT YEAR TO DATE (3 months to 31.03.2008) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 31.03.2007) RM'000
Revenue	920,301	550,723	920,301	550,723
Cost of sales	(841,417)	(493,930)	(841,417)	(493,930)
Gross profit	78,884	56,793	78,884	56,793
Other income	20,752	10,648	20,752	10,648
Other expenses	(4,903)	(4,789)	(4,903)	(4,789)
Administrative expenses	(16,870)	(12,042)	(16,870)	(12,042)
Finance costs	(7,778)	(5,936)	(7,778)	(5,936)
Share of profit after tax of associates	6,526	1,605	6,526	1,605
	76,611	46,279	76,611	46,279
Income tax expense	(10,293)	(9,077)	(10,293)	(9,077)
Profit for the period	66,318	37,202	66,318	37,202
Attributable to:				
Equity holders of the parent	55,585	27,183	55,585	27,183
Minority interest	10,733	10,019	10,733	10,019
	66,318	37,202	66,318	37,202
Attributable to equity holders of the parent :				
Basic earnings per share (sen)	7.37	4.68 *	7.37	4.68 *
Fully diluted earnings per share (sen)	7.26	4.54 *	7.26	4.54 *

(The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.)

* Computed based on the number of share capital which were adjusted for :-

- (i) the proportionate change in the number as if the bonus shares were issued on 1 January 2007; and
- (ii) the subdivision of the number as if the share split was completed on 1 January 2007

WCT ENGINEERING BERHAD

(Company Number : 66538-K)

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2008

	UNAUDITED AS AT END OF CURRENT QUARTER 31.03.2008 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2007 RM'000
ASSETS		
<u>Non-current assets</u>		
Property, plant and equipment	330,533	321,733
Land held for property development	166,673	156,241
Investment properties	410,209	403,554
Investment in associates	142,410	140,999
Other investments	15,498	15,498
Deferred tax assets	1,047	7,542
	<u>1,066,370</u>	<u>1,045,567</u>
<u>Current assets</u>		
Property development costs	272,134	258,655
Inventories	41,977	93,602
Trade receivables	1,613,713	1,177,888
Other receivables	316,824	156,210
Due from related parties	32,457	41,701
Deposits, cash and bank balances	784,925	710,617
	<u>3,062,030</u>	<u>2,438,673</u>
TOTAL ASSETS	<u>4,128,400</u>	<u>3,484,240</u>

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CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2008 (Cont'd)

	UNAUDITED AS AT END OF CURRENT QUARTER 31.03.2008 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2007 RM'000
EQUITY AND LIABILITIES		
<u>Equity attributable to equity holders of the parent</u>		
Share capital	381,131	338,966
Irredeemable Convertible Preference Shares ("ICPS")	9,727	16,567
Share premium	175,406	140,942
Reserves	573,026	392,327
	<u>1,139,290</u>	<u>888,802</u>
Minority interests	<u>121,612</u>	<u>279,030</u>
Total equity	<u>1,260,902</u>	<u>1,167,832</u>
<u>Long-term liabilities</u>		
Borrowings	635,673	357,330
Deferred tax liabilities	3,700	5,442
	<u>639,373</u>	<u>362,772</u>
<u>Current liabilities</u>		
Trade payables	1,330,679	914,764
Other payables	420,197	410,819
Due to related parties	57,841	30,294
Borrowings	406,840	585,467
Tax payable	12,568	12,292
	<u>2,228,125</u>	<u>1,953,636</u>
Total Liabilities	<u>2,867,498</u>	<u>2,316,408</u>
TOTAL EQUITY AND LIABILITIES	<u>4,128,400</u>	<u>3,484,240</u>

Net asset per share (RM)

1.49

2.62

(The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 2008

Note	Attributable to Equity Holders of the Parent												Minority interest	Total equity
	Non-Distributable					Distributable								
	Share capital	Preference Shares	Share premium	Warrant reserve	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 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
Arising from bonus issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of Irredeemable Convertible Preference Shares ("ICPS")	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Arising from conversion of ICPS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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)	-	-	-	-	-	-
Amount transferred to capital reserve on bonus issue of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Arising from dilution of subsidiaries	-	-	-	-	-	-	-	-	-	-	(183)	(183)	350	167
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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
Current year to date														
At 1 January 2008	338,966	16,567	140,942	-	750	(27,156)	2,846	1,365	861	2,616	411,045	888,802	279,030	1,167,832
Currency translation differences	-	-	-	-	-	(2,671)	-	-	-	-	-	(2,671)	(2,238)	(4,909)
Net income/(expense) recognised directly in equity	-	-	-	-	-	(2,671)	-	-	-	-	-	(2,671)	(2,238)	(4,909)
Profit for the period	-	-	-	-	-	-	-	-	-	-	55,585	55,585	10,733	66,318
Total recognised income and expense for the period	-	-	-	-	-	(2,671)	-	-	-	-	55,585	52,914	8,495	61,409
Arising from share options exercised	3,912	-	5,258	-	-	-	-	-	-	-	-	9,170	-	9,170
Arising from conversion of ICPS	6,840	(6,840)	-	-	-	-	-	-	-	-	-	-	-	-
Arising from voluntary take-over offer	31,413	-	28,535	-	-	-	-	-	-	-	93,036	152,984	-	152,984
Arising from issuance of the Sukuk	-	-	-	34,972	-	-	-	-	-	-	-	34,972	-	34,972
Acquisition of minority interest	-	-	-	-	-	-	-	-	-	-	-	-	(165,913)	(165,913)
Transfer to within reserve	-	-	-	-	(9)	-	-	-	-	-	9	-	-	-
Share options granted under ESOS	-	-	-	-	-	-	-	448	-	-	-	448	-	448
Share options granted under ESOS of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer within reserve for ESOS exercised	-	-	671	-	-	-	-	(671)	-	-	-	-	-	-
Arising from dilution of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2008	381,131	9,727	175,406	34,972	741	(29,827)	2,846	1,142	861	2,616	559,675	1,139,290	121,612	1,260,902

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 2008**

	UNAUDITED CUMULATIVE PERIOD CURRENT YEAR TO DATE 31.03.2008 RM'000	CUMULATIVE PERIOD PRECEDING YEAR CORRESPONDING 31.03.2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	76,611	46,279
Adjustments for:-		
Non-cash items	10,311	18,237
Non-operating items - financing	3,368	500
Non-operating items - investing	(7,596)	(1,128)
Operating profit before working capital changes	82,694	63,888
Net changes in current assets	(534,103)	(110,226)
Net changes in current liabilities	451,155	(2,872)
Cash flows used in operations	(254)	(49,210)
Interest paid *	(12,212)	(11,102)
Interest received	4,410	5,437
Taxation paid	(4,518)	(5,883)
Net cash used in operating activities	(12,574)	(60,758)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exercised of call options on CRDS A	(58,284)	-
Property, plant and equipment	(18,655)	(35,801)
Withdrawal from escrow, redemption and FSRA accounts	15,031	-
Net cash used in investing activities	(61,908)	(35,801)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from issuance of shares	9,170	14,180
Bank borrowings	178,311	49,158
Net cash generated from financing activities	187,481	63,338
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	112,999	(33,221)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	552,929	395,969
Foreign exchange differences	1,497	(4,182)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD **	667,425	358,566

* Included in interest paid is interest capitalised amounting to RM4,728,003.

** Cash & cash equivalents excludes fixed deposits and cash and bank held under Residual Sales and Redemption Account amounting to RM94,051,591 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 2007 and the accompanying explanatory notes attached to the interim financial statements.)