

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

If you have sold or transferred all your WCT Shares, you should at once hand this Abridged Prospectus together with the NPA and the RSF to the agent/ broker through whom you effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue of Shares should be addressed to our Share Registrar, Symphony Share Registrars Sdn Bhd (378993-D) at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan.

A copy of this Abridged Prospectus has been registered with the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue of Shares or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of this Abridged Prospectus together with the NPA and the RSF has also been lodged with the Registrar of Companies, who takes no responsibility for the contents.

The approval from our shareholders for the Rights Issue of Shares has been obtained at our EGM held on 19 May 2015. Approval from Bursa Securities has also been obtained vide its letter dated 20 April 2015 for, amongst others, the listing of the Rights Shares on the Main Market of Bursa Securities. The listing of and quotation for the Rights Shares will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to them.

Neither the SC nor Bursa Securities takes any responsibility for the correctness of statements made or opinions expressed in this Abridged Prospectus. The listing of and quotation for the Rights Shares on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue of Shares.

Our Directors have seen and approved all the documentation relating to the Rights Issue of Shares, including this Abridged Prospectus, together with the NPA and the RSF. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in these documents false or misleading.

This Abridged Prospectus together with the NPA and the RSF is only despatched to our Entitled Shareholders whose names appear on our Record of Depositors and have provided our Share Registrar with an address in Malaysia not later than 5.00 p.m. on Tuesday, 7 July 2015. This Abridged Prospectus together with the NPA and the RSF is not intended to be issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue of Shares complies with the laws of any countries or jurisdictions other than the laws of Malaysia. The Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and other professional advisers as to whether the acceptance and/ or renunciation (as the case may be) of all or any part of their entitlements to the Rights Issue of Shares would result in a contravention of any laws of such countries or jurisdictions. Neither we, RHBIB nor any other professional advisers shall accept any responsibility or liability in the event that any acceptance and/ or renunciation made by the Entitled Shareholders and/ or their renounee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any such countries or jurisdictions.

RHBIB, being our Principal Adviser for the Rights Issue of Shares, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue of Shares.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER, PLEASE REFER TO SECTION 6 OF THIS ABRIDGED PROSPECTUS.



WCT HOLDINGS BERHAD

(Company No. : 930464-M)
(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 143,226,391 NEW ORDINARY SHARES OF RM0.50 EACH IN WCT HOLDINGS BERHAD ("WCT SHARE(S)" OR "SHARE(S)") ("RIGHTS SHARE(S)") ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY 10 EXISTING WCT SHARES HELD AS AT 5.00 P.M. ON TUESDAY, 7 JULY 2015 AT AN ISSUE PRICE OF RM1.00 PER RIGHTS SHARE ("RIGHTS ISSUE OF SHARES")

Principal Adviser, Managing Underwriter and Joint Underwriter

Joint Underwriters



RHB Investment Bank Berhad
(Company No. 19663-P)
(A Participating Organisation of Bursa Malaysia Securities Berhad)



AmInvestment Bank Berhad
(Company No. 23742-V)
(A Participating Organisation of Bursa Malaysia Securities Berhad)



Maybank Investment Bank Berhad (15938-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME:-

Entitlement Date	: Tuesday, 7 July 2015 at 5.00 p.m.
Last date and time for sale of provisional allotment of rights	: Wednesday, 15 July 2015 at 5.00 p.m.
Last date and time for transfer of provisional allotment of rights	: Tuesday, 21 July 2015 at 4.00 p.m.
Last date and time for acceptance and payment	: Friday, 24 July 2015 at 5.00 p.m.*
Last date and time for excess application and payment	: Friday, 24 July 2015 at 5.00 p.m.*

* or such later date and time as our Board may determine and announce, after consultation with the Joint Underwriters, not less than two (2) Market Days before the stipulated date and time

This Abridged Prospectus is dated 7 July 2015

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

THIS ABRIDGED PROSPECTUS HAS BEEN REGISTERED WITH THE SC. THE REGISTRATION OF THIS ABRIDGED PROSPECTUS SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE RIGHTS ISSUE OF SHARES OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINION OR REPORT EXPRESSED IN THIS ABRIDGED PROSPECTUS.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.

BURSA SECURITIES HAS APPROVED THE LISTING OF THE RIGHTS SHARES ON THE MAIN MARKET OF BURSA SECURITIES. HOWEVER, THIS IS NOT AN INDICATION THAT BURSA SECURITIES RECOMMENDS THE RIGHTS ISSUE OF SHARES.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE AND MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE OF SHARES FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

THE DISTRIBUTION OF THE ABRIDGED PROSPECTUS, TOGETHER WITH THE NPA AND RSF IS SUBJECT TO MALAYSIA LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF SUCH DOCUMENTS AND HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON SUCH DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE ABRIDGED PROSPECTUS, TOGETHER WITH THE NPA AND RSF MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.

THE ABRIDGED PROSPECTUS, TOGETHER WITH THE NPA AND RSF HAS BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE OF SHARES UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN SUCH DOCUMENTS.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus, the NPA and the RSF:-

"Abridged Prospectus"	: This abridged prospectus dated 7 July 2015 in relation to the Rights Issue of Shares
"Act"	: The Companies Act, 1965 of Malaysia as may be amended from time to time and any re-enactment thereof
"AmInvestment Bank"	: AmInvestment Bank Berhad (23742-V)
"ATM"	: Automated teller machine
"Authorised Nominee(s)"	: A person who is authorised to act as a nominee as defined under the Rules of Bursa Depository
"Board"	: Board of Directors of WCT
"Bonus Issue of Warrants"	: The bonus issue of up to 315,098,061 Warrants E on the basis of one (1) free Warrant E for every five (5) existing WCT Shares held on an entitlement date to be determined and announced later, after the completion of the Rights Issue of Shares
"Bursa Depository"	: Bursa Malaysia Depository Sdn Bhd (165570-W)
"Bursa Securities"	: Bursa Malaysia Securities Berhad (635998-W)
"By-Laws"	: Rules, terms and conditions of the ESOS of our Company (as may be amended, varied or supplemented from time to time in accordance with the provisions of the By-Laws)
"CDS"	: Central Depository System
"CDS Account"	: A securities account established by Bursa Depository for the recording of deposits and withdrawal of securities and for dealings in such securities by that depositor of securities
"CMSA"	: Capital Markets and Services Act, 2007 of Malaysia as may be amended from time to time and any re-enactment thereof
"Code"	: Malaysian Code on Take-Overs and Mergers, 2010 as may be amended from time to time and any re-enactment thereof
"Convertible Securities"	: The 156,986,399 outstanding Warrants C, 163,631,152 outstanding Warrants D and 19,094,000 unexercised ESOS Options, collectively
"Corporate Exercises"	: The Rights Issue of Shares and the Bonus Issue of Warrants, collectively
"Director(s)"	: The director(s) of our Company and shall have the meaning given in Section 2(1) of the CMSA
"EGM"	: Extraordinary General Meeting of our Company
"Electronic Application"	: Application for the Rights Shares and/ or Excess Rights Shares through the ATMs of Participating Financial Institutions

DEFINITIONS (CONT'D)

"Entitled Shareholder(s)"	:	The shareholders of our Company who are registered as a member and whose names appear in the Record of Depositors of our Company on the Entitlement Date
"Entitlement Date"	:	At 5.00 p.m. on Tuesday, 7 July 2015, being the time and date on which shareholders of our Company must be registered as a member and whose names appear in our Record of Depositors provided by Bursa Depository in order to participate in the Rights Issue of Shares
"EPS"	:	Earnings per Share
"ESOS"	:	Employees' share option scheme of our Company
"ESOS Option(s)"	:	The right of a grantee to subscribe for new WCT Shares pursuant to the contract constituted by the acceptance of an Offer as set out in the By-Laws. The ESOS became effective on 19 July 2013 and is in force for a period of 10 years. The price at which the option holder is entitled to subscribe for new WCT Shares may be set at a discount of not more than 10% from the five (5)-day WAMP of WCT Share immediately preceding the date of offer or par value of WCT Shares, whichever is higher
"Excess Rights Shares"	:	Rights Shares which are not taken up or not validly taken up by the Entitled Shareholders and/ or their renouncee(s) and/ or transferee(s) (if applicable) prior to excess application pursuant to the Rights Issue of Shares
"Foreign Entitled Shareholder(s)"	:	Entitled Shareholder(s) who have not provided an address in Malaysia for the service of documents to be issued for the purposes of the Rights Issue of Shares
"FPE"	:	Financial period ended/ ending
"FYE"	:	Financial year ended/ ending
"Internet Application"	:	Application for the Rights Share and/ or Excess Rights Share through an Internet Participating Financial Institutions
"Internet Participating Financial Institution"	:	Participating financial institution for the Internet Applications as referred to in Section 10.3 of this Abridged Prospectus
"Joint Underwriters"	:	RHBIB, AmInvestment Bank and Maybank IB, collectively
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities, as amended from time to time
"LPD"	:	12 June 2015, being the latest practicable date prior to the registration of this Abridged Prospectus with the SC
"Managing Underwriter"	:	RHBIB
"Market Day(s)"	:	Any day from Mondays to Fridays (inclusive of both days) which is not a public holiday and on which Bursa Securities is open for the trading of securities
"Maybank IB"	:	Maybank Investment Bank Berhad (15938-H)

DEFINITIONS (CONT'D)

"Maximum Scenario"	:	Assuming all the existing treasury shares are resold in the open market at their respective acquisition prices and that all of the outstanding Convertible Securities have been exercised into new WCT Shares prior to the implementation of the Corporate Exercises
"Minimum Scenario"	:	Assuming all the existing treasury shares are retained in our Company and that none of the outstanding Convertible Securities have been exercised into new WCT Shares prior to the implementation of the Corporate Exercises
"NA"	:	Net assets
"NPA"	:	Notice of provisional allotment of the Rights Shares pursuant to the Rights Issue of Shares
"NRS"	:	Nominee Rights Subscription service offered by Bursa Depository, at the request of our Company, to Authorised Nominees for electronic subscription of Rights Shares through Bursa Depository's existing network facility with the Authorised Nominees
"Offer"	:	Written offer made by the options committee from time to time to an eligible employee to participate in the ESOS in the manner set out in the By-Laws
"Official List"	:	A list specifying all securities which have been admitted for listing on Bursa Securities and not removed
"Participating Financial Institution(s)"	:	Participating financial institution(s) for Electronic Applications as referred to in Section 10.3 of this Abridged Prospectus
"PBT"	:	Profit before taxation
"Provisional Rights Shares"	:	Rights Shares provisionally allotted to the Entitled Shareholders pursuant to the Rights Issue of Shares
"Record of Depositors"	:	A record of depositors established by Bursa Depository under the Rules of Bursa Depository
"RHBIB" or the "Principal Adviser"	:	RHB Investment Bank Berhad (19663-P)
"Rights Issue Entitlement File"	:	An electronic file forwarded by Bursa Depository to an Authorised Nominee who has subscribed for NRS, containing information of such Authorised Nominee's entitlements under the Rights Issue of Shares as at the Entitlement Date
"Rights Issue of Shares"	:	The renounceable rights issue of up to 143,226,391 Rights Shares on the basis of one (1) Rights Share for every 10 existing WCT Shares held on the Entitlement Date
"Rights Share(s)"	:	Up to 143,226,391 new WCT Shares to be issued pursuant to the Rights Issue of Shares
"Rights Shares Subscription File"	:	An electronic file submitted by an Authorised Nominee who has subscribed for NRS, to Bursa Depository containing information pertaining to such Authorised Nominee's subscription of the Rights Shares or Excess Rights Shares

DEFINITIONS (CONT'D)

"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"RSF"	:	Rights Subscription Form for the Rights Issue of Shares
"Rules of Bursa Depository"	:	The rules of Bursa Depository as issued pursuant to SICDA
"SC"	:	Securities Commission Malaysia
"SICDA"	:	Securities Industry (Central Depositories) Act, 1991 of Malaysia as may be amended from time to time, including Securities Industry (Central Depositories) Amendment Act, 1998 of Malaysia
"TERP"	:	Theoretical ex-rights price
"Undertaking(s)"	:	Irrevocable undertakings from WCT Capital Sdn Bhd, Taing Kim Hwa and Wong Sewe Wing to fully subscribe for their entitlements under the Rights Issue of Shares based on their respective shareholdings in our Company
"Underwriting Agreement"	:	Underwriting agreement dated 18 June 2015 entered into between our Company, the Managing Underwriter and the Joint Underwriters whereby the Joint Underwriters agree to severally (not jointly nor jointly and severally) underwrite and subscribe for, in accordance with the agreed percentage of underwritten shares, the remaining open portion of up to 112,582,406 Rights Shares which are not covered by the Undertakings
"WAMP"	:	Weighted average market price
"Warrant(s) C"	:	156,986,399 outstanding warrants 2013/ 2016 in our Company as at the LPD, constituted by the deed poll dated 1 July 2013. Pursuant to the terms and conditions set out in the aforesaid deed poll, each Warrant C is convertible into one (1) new WCT Share at an exercise price of RM2.04 per Warrant C (as may be adjusted in accordance with the deed poll) and at any time during the exercise period, being 1 July 2013 to 10 March 2016 (both date inclusive)
"Warrant(s) D"	:	163,631,152 outstanding warrants 2013/ 2017 in our Company as at the LPD, constituted by the deed poll dated 1 July 2013. Pursuant to the terms and conditions set out in the aforesaid deed poll, each Warrant D is convertible into one (1) new WCT Share at an exercise price of RM2.25 per Warrant D (as may be adjusted in accordance with the deed poll) and at any time during the exercise period, being 1 July 2013 to 11 December 2017 (both date inclusive)
"Warrant(s) E"	:	Up to 315,098,061 free warrants in our Company, to be issued pursuant to the Bonus Issue of Warrants
"WCT" or "our Company"	:	WCT Holdings Berhad (930464-M)
"WCT Group" or "our Group"	:	Our Company and our subsidiaries, collectively
"WCT Share" or "Share"	:	Ordinary share(s) of RM0.50 each in our Company

DEFINITIONS (CONT'D)

All references to "we", "us", "our" and "ourselves" are made to the Company, or where the context requires, our Group or any of our subsidiary companies. All references to "you" in this Abridged Prospectus are made to our Entitled Shareholders.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any discrepancies in the tables included in the Abridged Prospectus between the amounts listed, actual figures and the totals thereof are due to rounding.

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise specified.

Certain statements in the Abridged Prospectus may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in the Abridged Prospectus should not be regarded as representation or warranty that our Company's plans and objectives will be achieved.

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Address	Nationality	Occupation
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid <i>(Independent Non-Executive Chairman)</i>	Apartment 11-5-1 20 Trees, Jalan 203D Taman Melawati Indah 53100 Kuala Lumpur	Malaysian	Company Director
Taing Kim Hwa <i>(Managing Director)</i>	10, Jalan Eksekutif U1/6 Seksyen U1 40000 Shah Alam Selangor Darul Ehsan	Malaysian	Company Director
Goh Chin Liong <i>(Deputy Managing Director)</i>	3, Jalan 6/155A Bukit Jalil Golf Resort 57000 Kuala Lumpur	Malaysian	Company Director
Choe Kai Keong <i>(Executive Director)</i>	6, Jalan 13/10B Seksyen 13 40100 Shah Alam Selangor Darul Ehsan	Malaysian	Company Director
Liang Kai Chong <i>(Executive Director)</i>	25, Jalan Tanjung Sepat Taman Bukit Seputeh 58000 Kuala Lumpur	Malaysian	Company Director
Wong Yik Kae <i>(Executive Director)</i>	2, Jalan BK6B/11 Bandar Kinrara 47180 Puchong Selangor Darul Ehsan	Malaysian	Company Director
Choo Tak Woh <i>(Independent Non-Executive Director)</i>	7, Jalan PJU 1A/21A Ara Damansara 47301 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director
Andrew Lim Cheong Seng <i>(Independent Non-Executive Director)</i>	12A, Jalan SS 22A/4 Damansara Jaya 47400 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director

AUDIT COMMITTEE

Name	Designation	Directorship
Choo Tak Woh	Chairman	Independent Non-Executive Director
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	Member	Independent Non-Executive Chairman
Andrew Lim Cheong Seng	Member	Independent Non-Executive Director

CORPORATE DIRECTORY (CONT'D)

- COMPANY SECRETARIES** : Loh Chee Mun (MAICSA 7025198)
Chong Kian Fah (MIA 17238)
- No. 12, Jalan Majistret U1/26
Seksyen U1, Lot 44
Hicom-Glenmarie Industrial Park
40150 Shah Alam
Selangor Darul Ehsan
- Tel. No.: 03 – 7805 2266
Fax. No.: 03 – 7804 9877
- REGISTERED OFFICE/ HEAD OFFICE** : No. 12, Jalan Majistret U1/26
Seksyen U1, Lot 44
Hicom-Glenmarie Industrial Park
40150 Shah Alam
Selangor Darul Ehsan
- Tel. No. : 03 – 7805 2266
Fax. No.: 03 – 7804 9877
Email : enquiries@wct.my
Website : www.wct.com.my
- SHARE REGISTRAR** : Symphony Share Registrars Sdn Bhd (378993-D)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
- Helpdesk Tel.: 03 - 7841 8000
Fax. No. : 03 - 7841 8151/ 8152
- AUDITORS AND REPORTING ACCOUNTANTS** : Messrs Ernst & Young (AF0039)
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
- Tel. No.: 03 – 7495 8000
Fax. No.: 03 – 2095 9076
- PRINCIPAL BANKERS** : AmBank (M) Berhad (8515-D)
22nd Floor, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur
- Tel. No.: 03 – 2036 2633
- HSBC Bank Malaysia Berhad (127776-V)
2, Leboh Ampang
50100 Kuala Lumpur
- Tel. No.: 03 – 2075 3000
- Malayan Banking Berhad (3813-K)
Menara Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur
- Tel. No.: 03 – 2070 8833

CORPORATE DIRECTORY (CONT'D)

- : OCBC Bank (Malaysia) Berhad (295400-W)
Menara OCBC
18 Jalan Tun Perak
50050 Kuala Lumpur

Tel. No.: 03 – 2034 5034
- RHB Bank Berhad (6171-M)
Level 7, Tower 2 & 3, RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur

Tel. No.: 03 – 9280 6065
- Standard Chartered Bank Malaysia Berhad (115793 P)
Level 16, Menara Standard Chartered
30, Jalan Sultan Ismail
50250 Kuala Lumpur

Tel. No.: 03 – 2117 7777
- SOLICITORS FOR THE RIGHTS
ISSUE OF SHARES** : Messrs Mah-Kamariyah & Philip Koh
3A07, Block B, Phileo Damansara II
15 Jalan 16/11, Off Jalan Damansara
46350 Petaling Jaya
Selangor Darul Ehsan

Tel. No.: 03 - 7956 8686
Fax. No.: 03 - 7956 2208
- PRINCIPAL ADVISER, MANAGING
UNDERWRITER AND JOINT
UNDERWRITER** : RHB Investment Bank Berhad (19663-P)
Level 12, Tower 3, RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur

Tel. No.: 03 - 9287 3888
Fax. No.: 03 - 9287 2233/ 3355/ 4770
- JOINT UNDERWRITERS** : AmInvestment Bank Berhad (23742-V)
22nd Floor, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur

Tel. No.: 03 – 2036 2633
Fax. No.: 03 – 2070 8596/ 2032 4960
- Maybank Investment Bank Berhad (15938-H)
Level 8, Tower C, Dataran Maybank
1, Jalan Maarof
59000 Kuala Lumpur
Tel. No.: 03 – 2297 8888
Fax. No.: 03 – 2282 5136
- STOCK EXCHANGE LISTED AND
LISTING SOUGHT** : Main Market of Bursa Securities



WCT HOLDINGS BERHAD
(Company No. : 930464-M)
(Incorporated in Malaysia)

Registered Office

No. 12, Jalan Majistret U1/26
Seksyen U1, Lot 44
Hicom-Glenmarie Industrial Park
40150 Shah Alam
Selangor Darul Ehsan

7 July 2015

Board of Directors

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid (*Independent Non-Executive Chairman*)
Taing Kim Hwa (*Managing Director*)
Goh Chin Liong (*Deputy Managing Director*)
Choe Kai Keong (*Executive Director*)
Liang Kai Chong (*Executive Director*)
Wong Yik Kae (*Executive Director*)
Choo Tak Woh (*Independent Non-Executive Director*)
Andrew Lim Cheong Seng (*Independent Non-Executive Director*)

To: Our Entitled Shareholders

Dear Sir/ Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 143,226,391 WCT SHARES ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY 10 EXISTING WCT SHARES HELD AS AT 5.00 P.M. ON TUESDAY, 7 JULY 2015 AT AN ISSUE PRICE OF RM1.00 PER RIGHTS SHARE

1. INTRODUCTION

On 16 March 2015, RHBIB had, on behalf of our Board, announced, amongst others, that our Company proposes to undertake a renounceable rights issue of up to 143,226,391 Rights Shares on the basis of one (1) Rights Share for every 10 existing WCT Shares held on the entitlement date to be determined later.

On 21 April 2015, RHBIB had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 20 April 2015, approved, amongst others, the listing of and quotation for the Rights Shares to be issued pursuant to the Rights Issue of Shares on the Main Market of Bursa Securities, subject to the following conditions:-

Conditions	Status of compliance
a) WCT and RHBIB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Corporate Exercises;	To be complied

Conditions	Status of compliance
b) WCT and RHBIB to inform Bursa Securities upon the completion of the Corporate Exercises;	To be complied
c) WCT to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Corporate Exercises are completed; and	To be complied
d) WCT is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants E at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

On 23 April 2015, RHBIB had, on behalf of our Board, announced that the issue price of the Rights Shares and the exercise price of the Warrants E have been fixed at RM1.00 per Rights Share and RM2.08 per Warrant E, respectively.

On 19 May 2015, our shareholders had approved the Corporate Exercises at our EGM. A certified true extract of the resolutions pertaining to the Corporate Exercises which were passed at the aforesaid EGM, is set out in Appendix I of this Abridged Prospectus.

On 19 June 2015, RHBIB had, on behalf of our Board, announced the Entitlement Date and other relevant dates pertaining to the Rights Issue of Shares.

The listing of and quotation for the Rights Shares to be issued pursuant to the Rights Issue of Shares will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to them.

No person is authorised to give any information or to make any representation not contained in this Abridged Prospectus in connection with the Rights Issue of Shares and if given or made, such information or representation must not be relied upon as having been authorised by us or RHBIB.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE OF SHARES

2.1 Basis and number of Rights Shares to be issued

The Rights Issue of Shares entails an issuance of up to 143,226,391 Rights Shares on a renounceable basis of one (1) Rights Share for every 10 existing WCT Shares held on the Entitlement Date at an issue price of RM1.00 per Rights Share.

As at the LPD, the issued and paid-up share capital of WCT is RM546,276,182 comprising 1,092,552,364 WCT Shares (including 17,739,870 treasury shares).

In addition, as at the LPD, our Company has a total of:-

- i. 156,986,399 outstanding Warrants C;
- ii. 163,631,152 outstanding Warrants D; and
- iii. 19,094,000 unexercised ESOS Options

(Collectively referred to as the "Convertible Securities")

Our Board has undertaken to ensure that our options committee will not grant any ESOS Options to the eligible employees of our Company under the ESOS from the date of our Company's announcement dated 16 March 2015 in relation to the Corporate Exercises until the completion of the Corporate Exercises.

Assuming all the existing treasury shares are resold in the open market at their respective acquisition prices and all the Convertible Securities have been exercised into 339,711,551 new WCT Shares prior to implementation of the Rights Issue of Shares, the Rights Issue of Shares will entail an issuance of up to 143,226,391 Rights Shares on a renounceable basis of one (1) Rights Share for every 10 existing WCT Shares held by the Entitled Shareholders as illustrated below:-

	No. of Shares
Issued and paid-up share capital as at the LPD	1,092,552,364 ^{*1}
Less: Treasury shares	17,739,870
	<u>1,074,812,494</u>
Assumptions:	
Add: Treasury shares resold at respective acquisition prices	17,739,870
Add: WCT Shares to be issued upon full exercise of Warrants C	156,986,399
Add: WCT Shares to be issued upon full exercise of Warrants D	163,631,152
Add: WCT Shares to be issued upon full exercise of ESOS Options	19,094,000
	<u>1,432,263,915</u>
Basis of one (1) Rights Share for every 10 existing WCT Shares held (1,432,263,915 Shares x 1/10)	143,226,391

Note:-

^{*1} Including 17,739,870 treasury shares

In arriving at the structure of the Rights Issue of Shares, our Board has taken into consideration of the following:-

- i. The funding requirements as set out in Section 4 of this Abridged Prospectus;
- ii. The issue price which is sufficiently attractive to entice the Entitled Shareholders to subscribe for their respective entitlements in view that the Rights Issue of Shares is to be undertaken on a maximum subscription basis (without compromising on the amount to be raised as set out in Section 4 of this Abridged Prospectus); and
- iii. The entitlement basis in term of dilutive impact on NA per Share and EPS. For information purposes, the entitlement basis of one (1) Rights Share for every 10 existing WCT Shares held is expected to dilute the NA per Share and EPS based on the latest audited financial statements for the FYE 31 December 2014, upon completion of the Rights Issue of Shares, as follows:-

	Audited as at 31 December 2014	Upon completion of the Rights Issue of Shares	
		Minimum Scenario	Maximum Scenario
NA per Share (RM) ^{*1}	2.07	1.98 (4.35%)	1.99 (3.86%) ^{*2}
EPS (sen) ^{*1}	11.41	10.23 (10.34%)	7.67 (32.78%) ^{*2}

Notes:-

- ¹ Further details are set out in Sections 8.2 and 8.3 of this Abridged Prospectus
- ² After adjusting for resale of 17,739,870 treasury shares in the open market and full exercise of all the Convertible Securities

Our Board believes that the Rights Issue of Shares which has been structured on the entitlement basis of one (1) Rights Share for every 10 existing WCT Shares held is reasonable in term of dilutive impact and has been priced attractively to raise the intended amounts to meet the funding requirements as set out in Section 4 of this Abridged Prospectus. Notwithstanding the dilution impact pursuant to the Rights Issue of Shares as illustrated above, our Board expects that the order books and the property development projects as set out in Section 7 of this Abridged Prospectus to potentially improve the earnings of our Company in the medium to long term.

The Rights Issue of Shares is to be undertaken on a maximum subscription level basis as further detailed in Section 5 of this Abridged Prospectus, the actual number of Rights Shares to be issued pursuant to the Rights Issue of Shares would depend on the issued and paid-up share capital of our Company as at the Entitlement Date.

The Rights Issue of Shares is renounceable in full or in part.

Any unsubscribed Rights Shares will be made available to the other Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) under the Excess Rights Shares application. It is the intention of our Board to allocate the Excess Rights, if any, on a fair and equitable manner, and on the basis as set out in Section 10.7 of this Abridged Prospectus.

As you are an Entitled Shareholder, your CDS Accounts will be duly credited with the Provisional Rights Shares, which you are entitled to subscribe for in full or in part under the terms of the Rights Issue of Shares. You will find enclosed in this Abridged Prospectus, a NPA notifying you of the crediting of such securities into your CDS Account and a RSF to enable you to subscribe for the Provisional Rights Shares as well as to apply for the Excess Rights Shares if you choose to do so.

Any dealings in our securities will be subject to the provisions of the SICDA, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares will be credited directly into the respective CDS Accounts of the successful applicants. However, no physical share certificate will be issued. Notices of allotment will be despatched to the successful applicants.

We will allot and issue the Rights Shares, despatch notices of allotment to the successful applicants and make an application for the quotation for the Rights Shares within eight (8) Market Days from the last date for acceptance and payment for the Rights Shares or such period as may be prescribed by Bursa Securities. The Rights Shares will then be quoted on the Main Market of Bursa Securities two (2) Market Days after the application for quotation is made to Bursa Securities.

For information purposes, after the completion of the Rights Issue of Shares, our Company will implement the Bonus Issue of Warrants.

2.2 Basis of determining and justification for the issue price of the Rights Shares

On 23 April 2015, our Board has fixed the issue price of the Rights Shares at RM1.00 per Rights Share. This represents a discount of approximately 42.86% to the TERP after the Rights Issue of Shares of RM1.75, based on the five (5)-day WAMP of WCT Shares up to and including 22 April 2015, being the last trading day of WCT Shares immediately preceding the price-fixing date, of RM1.82 per WCT Share.

The issue price of RM1.00 per Rights Share was determined and fixed by our Board after taking into consideration the following:-

- i. The TERP of WCT Shares; and
- ii. The past and current trading price of WCT Shares.

As set out in Section 2.1 of this Abridged Prospectus, our Board intends to price the Rights Shares at a level sufficiently attractive to entice the Entitled Shareholders to subscribe for their respective entitlements. The issue price of RM1.00 per Rights Share which represents a discount of 42.86% to the TERP of WCT Shares is in line with the aforesaid intention whilst still enabling our Company to raise the intended amounts to meet the funding requirements as set out in Section 4 of this Abridged Prospectus.

2.3 Ranking of the Rights Shares

The Rights Shares will, upon allotment and issuance, rank *pari passu* in all respects with the existing WCT Shares, save and except that the Rights Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared, made or paid prior to the relevant date of allotment and issuance of the Rights Shares.

2.4 Details of other corporate exercise

Save for the Corporate Exercises, our Board confirms that there are no other outstanding corporate exercises which have been announced and/ or approved by the regulatory authorities but pending completion as at the LPD.

3. RATIONALE AND JUSTIFICATION FOR THE RIGHTS ISSUE OF SHARES

After due consideration, our Board is of the view that the Rights Issue of Shares is the most appropriate avenue for raising funds for the purposes as set out in Section 4 of this Abridged Prospectus while potentially enhancing the capital base, as the Rights Issue of Shares will:-

- i. Enable our Company to raise funds without incurring interest expense as compared to bank borrowings;
- ii. Provide the shareholders with an opportunity to further increase their equity participation in our Company via the issuance of new WCT Shares without diluting the existing shareholders' equity interest, assuming all the Entitled Shareholders for the Rights Issue of Shares fully subscribe for their respective entitlements; and
- iii. Strengthen our Group's financial position by increasing its NA and reducing its current gearing level as detailed in Section 8.2 of this Abridged Prospectus. In addition, upon the completion of the Rights Issue of Shares, our Group expects to raise up to RM107.50 million and RM143.23 million under the Minimum Scenario and Maximum Scenario, respectively.

4. UTILISATION OF PROCEEDS

The Rights Issue of Shares is expected to raise an estimated gross proceeds of up to RM143,226,391 based on the issue price of RM1.00 per Rights Share. The gross proceeds are expected to be utilised in the following manner:-

	Timeframe for utilisation	Minimum Scenario		Maximum Scenario	
		RM'000	%	RM'000	%
Repayment to suppliers and sub-contractors ^{*1}	Within 24 months upon completion	105,481	98.14	141,226	98.60
Estimated expenses in relation to the Corporate Exercises ^{*2}	Upon completion	2,000	1.86	2,000	1.40
Total		107,481	100.00	143,226	100.00

Notes:-

*1 The proceeds earmarked will be utilised to finance the day-to-day operations of our Group and is expected to be utilised in the following manner:-

	Minimum Scenario RM'000	Maximum Scenario RM'000
Repayment to suppliers	40,481	55,226
Repayment to sub-contractors	65,000	86,000
Total	105,481	141,226

Our Company intends to equally allocate the amount earmarked for repayment to suppliers and repayment to sub-contractors, respectively, for the projects undertaken by our Company's Engineering and Construction Division as set out below:-

- Construction of access and permanent roads within Petrochemical Integrated Development (RAPID) site at Pengerang, Johor; and
- Construction of shopping centre on Lot PT479, Jalan Cochrane, Seksyen 90, Bandar Kuala Lumpur which consists of one (1) block of 11-storey shopping centre and two (2)-level basement car park

For information purposes, the aforementioned suppliers shall include suppliers of building materials such as concrete, steel bar and tiles, and other construction related materials.

*2 The proceeds earmarked for estimated expenses in relation to the Corporate Exercises shall be utilised in the following manner:-

	RM'000
Professional fees (i.e. adviser, underwriter(s), reporting accountants and solicitors)	1,600
Regulatory fees	200
Other incidental expenses in relation to the Corporate Exercises	200
Total	2,000

Any variation to the amount of proceeds to be raised will be adjusted against the allocation for the working capital.

Pending utilisation of the proceeds from the Rights Issue of Shares for the above purposes, the proceeds will be placed in deposits with financial institutions or short-term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital of our Group.

Strictly for illustration purposes, in the event that the Rights Issue of Shares is completed under the Maximum Scenario whereby all the Convertible Securities will be exercised into 339,711,551 new WCT Shares prior to the implementation of the Rights Issue of Shares, a total of approximately RM728.47 million is expected to be raised from the exercise of the Convertible Securities, as set out below:-

Convertible Securities	New WCT Shares to be issued	Exercise price RM	Proceeds raised RM'000
Warrants C	156,986,399	2.04	320,252
Warrants D	163,631,152	2.25	368,170
ESOS Options	19,094,000	2.0973 ^{*1}	40,046
TOTAL			728,468

Note:-

^{*1} Based on weighted average exercise price

The aforesaid proceeds are expected to be utilised for repayment of borrowings and financing of business operations as set out below:-

	Timeframe for utilisation	Allocation %
Repayment of bank borrowings ^{*1}	Within 36 months	50
Working capital ^{*2}	Within 36 months	50

Notes:-

*1 As at 31 December 2014, our Group's total borrowings amounting to RM2.43 billion. For illustrative purposes, the partial repayment of our Group's borrowings could potentially result in an interest cost savings of approximately RM17.23 million per annum based on the weighted average effective interest rate at 4.73% per annum

*2 The proceeds earmarked for working capital will be utilised to finance the day-to-day operations of our Group and are expected to be utilised in the following manner:-

	Note	RM'000
Repayment to sub-contractors	(a)	164,234
Financing of our Group's daily operations		100,000
Acquisition of strategic land banks for future development	(b)	100,000
Total		364,234

(a) Sub-contractors appointed for projects undertaken by our Company's Engineering and Construction Division

(b) Our Company has yet to identify any strategic land bank for acquisition at this juncture

It should be noted that the proposed utilisation of proceeds is strictly for illustration purposes, the exact quantum of proceeds raised is dependent on the actual number of Convertible Securities exercised during the tenure of the Convertible Securities.

5. IRREVOCABLE UNDERTAKINGS AND UNDERWRITING ARRANGEMENTS

As set out in Section 2.1 of this Abridged Prospectus, our Board has determined to undertake the Rights Issue of Shares on a maximum subscription level basis via the issuance of up to 143,226,391 Rights Shares ("Maximum Subscription Level"). The Maximum Subscription Level has been determined by our Board after taking into consideration the level of funds that our Company wishes to raise from the Rights Issue of Shares which will be channelled towards the proposed utilisation of proceeds as set out in Section 4 of this Abridged Prospectus.

Certain shareholders of our Company, namely WCT Capital Sdn Bhd, Taing Kim Hwa and Wong Sewe Wing (collectively referred to as the "Undertaking Shareholders"), had, on 13 March 2015, provided their respective irrevocable undertakings to subscribe in full for their respective entitlements under the Rights Issue of Shares based on their shareholdings as at 11 March 2015, and also any additional entitlements under the Rights Issue of Shares, in the event that they increase their shareholdings in our Company from 11 March 2015 up to and including the Entitlement Date ("Letters of Undertakings"). As set out in Appendix VII, Section 8 of this Abridged Prospectus, the aforesaid Letters of Undertakings have been made available for shareholders' inspection.

A summary of the Undertakings is set out below:-

Undertaking Shareholders	Shareholdings as at 11 March 2015		Entitlements and Undertakings under the Rights Issue of Shares				Funding requirements ⁴	
			Minimum Scenario		Maximum Scenario		Minimum Scenario	Maximum Scenario
	No. of Shares	% ¹	No. of Shares	% ²	No. of Shares	% ³	RM	RM
WCT Capital Sdn Bhd	209,953,812	19.53	20,995,381	19.53	30,005,863	20.95	20,995,381	30,005,863
Taing Kim Hwa	2,416,597	0.22	241,659	0.22	598,324	0.42	241,659	598,324
Wong Sewe Wing	397,982	0.04	39,798	0.04	39,798	0.03	39,798	39,798
Total	212,768,391	19.79	21,276,838	19.79	30,643,985	21.40	21,276,838	30,643,985

Notes:-

¹ Based on the issued and paid-up share capital of 1,092,552,364 WCT Shares and excluding 17,739,870 treasury shares as at the LPD

² Calculated based on 107,481,249 Rights Shares available for subscription under the Minimum Scenario

³ Calculated based on 143,226,391 Rights Shares available for subscription under the Maximum Scenario, whereby the Undertaking Shareholders exercise all their respective Convertible Securities (amounting to 93,671,467 in aggregate) as detailed below:-

	Warrants C	Warrants D	ESOS Options
WCT Capital Sdn Bhd	42,328,658	47,776,160	
Taing Kim Hwa	851,000	1,115,649	1,600,000
Wong Sewe Wing			

⁴ Computed based on the issue price of RM1.00 per Rights Share

Accordingly, the Undertaking Shareholders had, via the Letters of Undertakings, confirmed that they have sufficient financial resources to fulfil the Undertakings (under both the Minimum Scenario and Maximum Scenario). The said confirmations have been verified by RHBIB, as the Principal Adviser for the Rights Issue of Shares and RHBIB confirms that the Undertaking Shareholders have sufficient financial resources to fulfil their undertakings under both the Minimum Scenario and Maximum Scenario.

As the Rights Issue of Shares will be undertaken on a Maximum Subscription Level basis, our Company had on 18 June 2015, entered into the Underwriting Agreement to underwrite the remaining up to 112,582,406 Rights Shares, representing 78.60% of the total issue size of the Rights Issue of Shares under the Maximum Scenario ("Underwritten Shares"), for which no irrevocable undertaking to subscribe has been obtained from any other shareholders of our Company. The underwriting arrangement pursuant to the Underwriting Agreement is set out below, subject to the terms and conditions of the Underwriting Agreement:-

Joint Underwriters	No. of Underwritten Shares (Up to)	% of agreed proportions
RHBIB	67,549,444	60.00
Aminvestment Bank	33,774,722	30.00
Maybank IB	11,258,240	10.00
	112,582,406	100.00

The underwriting commission payable to the Joint Underwriters shall be computed based on the formula of 1.00% x RM1.00 (being the issue price of the Rights Shares) x number of Underwritten Shares underwritten by the respective Joint Underwriters as at the Entitlement Date. The underwriting commission and all other costs in relation to the Underwriting Agreement will be fully borne by us at arm's length and based on normal commercial terms.

Pursuant to the Undertakings and underwriting arrangement, the Undertakings Shareholders, based on their shareholdings as at the LPD, will not trigger any mandatory general offer obligation pursuant to the Code following the subscription of their respective entitlements to the Rights Shares.

6. RISK FACTORS

In addition to other information contained in this Abridged Prospectus, you and/ or your renounee(s) and/ or transferee(s) (if applicable) should consider carefully the following risk factors (which may not be exhaustive) which may have an impact on the future performance of our Group before subscribing for or investing in the Rights Issue of Shares.

6.1 Risks relating to the industries we operate in

6.1.1 Risks relating to construction and property development industry

Our Group is not insulated from the general business risks as well as risk inherent in the various industries to which it provides services to and those which are specific to the construction and property development and property investment industries. These may include shortages of equipment, materials and labour, rising costs, labour disputes, adverse weather conditions, natural disasters, accidents and unforeseen circumstances. Any of these could give rise to delays in completion of the relevant project or costs overrun. Delays in the process of obtaining requisite licences, permits or approvals from government agencies or authorities could also increase the costs, or delay or prevent the commercial operation of the relevant project.

Construction delays can result in losses and if completion is delayed beyond the contractual completion date, there may be payment of penalties and/ or breach of the relevant concession or conditions and/ or termination of the relevant project. Failure to complete construction according to specifications can result in liabilities, reduced efficiency of the relevant development, building or structure, higher operating costs and reduced earnings.

As at the LPD, we have not encountered any material delay in the completion of our construction and property development projects that have material impact on our business.

To mitigate the risk of delays in completion of projects, we have in place, operational monitoring procedures to ensure that our projects are completed on time. In addition, our Group also seeks to limit these risks through, *inter alia*, periodic assessment of our sub-contractors and suppliers as to their ability to deliver their services/ products timely and satisfactorily, assessment of their financial strength and sourcing for sub-contracting services/ raw materials from a large base of sub-contractors and suppliers, as the case may be, to avoid over-dependence on any single sub-contractor or supplier. In addition, our Group also continuously seeks to minimise and mitigate business risks through prudent cash flow management practices which include the regular monitoring of debtors position, maintaining good business relationship with its business partners and the monitoring of its expenditures, there can be no assurance that we will be profitable in the future or that we will achieve increasing or consistent levels of profitability.

6.1.2 Risks relating to property investment industry

Investments in real estate are subject to various risks, including adverse changes in economic conditions, adverse local market conditions, financial conditions of tenants, purchasers and sellers of properties, changes in the availability of debt financing, changes in interest rates, changes in the relevant laws and regulations, changes in the popularity or appeal of property types and locations. Many of these factors may cause fluctuation in occupancy rates, collection of rental income and cause a decrease in the value of real estate and income derive from real estate. Our Group's financial condition and results of operations may be adversely affected if the capital value of the properties invested by our Group diminishes significantly in the event of a decrease in real estate market prices.

Further, real estate investments are relatively illiquid given the sizeable values involved. Such illiquidity may affect our Group's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, financial, real estate market or other conditions. Our Group may not be able to sell its assets on short notice or may be forced to give a substantial reduction in the price if a quick sale is required. Our Group may also face difficulties in obtaining timely and commercially favourable financing in asset-based lending transactions secured by real estate due to the illiquid nature of real estate assets. These factors could have an adverse effect on our Group's financial conditions and results of operations.

6.1.3 Political and economic considerations

The development and performance of any of our Group's current and future projects and the ability to successfully conclude any potential future joint venture agreements, may be affected by the economic and political situation in the relevant countries and regions, as well as exchange rates and exchange controls, interest rates, inflation, rates of taxes, trade and employment practices (including industrial action), foreign investment restrictions, the risk of war, nationalisation, expropriation, changes in government policy, social or other developments in or affecting the relevant jurisdiction in which we operate our business. Any occurrence of such adverse developments in Malaysia, Qatar and other countries in which we operate our business may materially and adversely affect the prospects and future performance of our Group's business.

There can be no assurance that such adverse political and economic factors will not materially affect our Company. In addition, there can be no assurance that political and economic policies adopted by relevant government at the time of the initial negotiations or development of any project will continue or that a future government will adopt substantially similar policies.

In mitigation, we will continue to review our business development strategies in response to the prevailing political and economic conditions.

6.2 Risks relating to our Group

6.2.1 Dependence on approvals and licenses from authorities

The Malaysian construction industry is highly regulated, with various government bodies governing the approval of licences and certification to contractors providing construction services in Malaysia. As such, our construction business is bound by the terms of the licences awarded by these authorities, which dictate the types and nature of construction projects which we can undertake. Whereas, our property development business is subject to various regulatory approvals in respect of the development plans, development orders, building plans, developer licences and advertising permits issued by the relevant local authorities. All of these licences and certification are subject to periodic renewals. The progress of our construction and property development projects are set out in Section 7.6 of this Abridged Prospectus.

The revocation or non-renewal of these approvals, licenses and certifications would adversely affect our ability to generate future profits which will in turn impact the financial position of our Group. However, as at LPD, we have not encountered nor do we anticipate any major disruptions in obtaining approvals and renewals for the necessary licences from the various government agencies. Our Group seeks to mitigate any hindrances in renewing or applying for new licences or certification by strict compliance with the procedural and documentation requirements in relation to the applications for the aforementioned approvals.

6.2.2 Competition

The construction and property development business in general is characterised by intense competition and competitive factors that vary by projects and geographic region. There is competition among the many construction and property development companies within the markets in which our Group operates. Some of the competitors have significant market position. Many of the competitors are large companies with international links that have substantial capital and marketing resources and some of these competitors exist for strategically located and reasonably priced land banks as well as for labour and building materials. There is also intense competition with respect to the selling prices and types of properties. There can be no assurance that we will be able to compete successfully against other construction companies or property developers, and our businesses, financial condition, results of operations and prospects could be adversely affected.

With respect to the retail property sector, other retail developers operating within the same catchment areas as our Group may develop new retail properties. Our Group will therefore face competition from these developers. Shopping malls compete to attract tenants as well as consumers. Other retail centres also compete with our Group's retail tenants for customers, thus affecting the cash flows of such tenants. The competing retail tenants may face continuous changing customer preferences and increasing competition from alternative forms of retailing, such as internet shopping and telemarketing. If these tenants experience competition, this may have an impact on their ability to make rental payments to our Group, thus adversely affect our Group's cash flows.

As a mitigating factor, our Group will continue to take effective measures to ensure quality products and services and develop innovative marketing strategies to remain competitive.

6.2.3 Fluctuation in operating and other expenses

Our Group's ability to maintain a certain level of profitability in respect of our business could be affected if our Group's operating and other expenses increase without a corresponding increase in revenue or reimbursement of operating costs and other costs. Factors which could increase operating and other costs of our Group's business include, but are not limited to, the following:-

- i. increase in construction costs and price of raw materials;
- ii. increase in payroll expenses;
- iii. changes in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations and policies; and
- iv. increase in utility costs, property maintenance costs, quit rent and assessment rates and other statutory charges.

Our Group carries out internal costing and budgeting estimates of raw material, sub-contracting costs and overheads based on the indicative pricings given by our suppliers and sub-contractors, as well as our own estimate of costs for our development projects, tenders for construction projects and quotations for the supply of concrete products.

However, in the event of variation of costs due to unforeseen circumstances such as adverse soil conditions, unfavourable weather conditions, fluctuations in prices of raw materials or sub-contractors services, additional costs which are not previously factored into the costing may arise.

Our Group will continuously take reasonable steps to mitigate the above risks and respond to the ever-changing environment to alleviate any difficulties arising from changes in the operation cost should they rise in the future. Notwithstanding the above, there can be no assurance that these changes will not materially affect our Group's income and cash flow.

6.2.4 Risk of unsold properties

Our Group has ventured into property development sector with the present developments in Petaling Jaya, Klang, Johor Bahru and Kota Kinabalu. In the event our Group is unable to sell a significant portion of our properties offered in a particular development, our financial results may be affected. Furthermore, the unsold properties that we continue to hold for sale post-completion of the project may be relatively illiquid. Such concern may affect our ability to realise cash and also have an adverse effect on the prices of unsold units in the event that we are required to sell the unsold properties urgently. In such an event, our cash flow and financial performances may be affected.

Our Group seeks to mitigate the risk by conducting market survey and feasibility studies prior to any new property development launches. Nevertheless no assurance can be given that the occurrence of unsold properties will not have a material impact on our Group's business and financial performance.

As at 31 December 2014, our Group has recorded unsold completed unit transferred to inventories of RM27.11 million.

For information purposes, the details of our Group's on-going property development projects are set out in Section 7.6 of this Abridged Prospectus.

6.2.5 Credit risks

Generally, the risk of potential bad debts is considered to affect most businesses. We may experience delays in payment for our services and products, or in more severe cases, we may not be able to collect payment. In the event of payment defaults, we would have to make provisions for doubtful debts or incur bad debts written off, which will have an adverse impact on our profitability. Generally, most of our clients make their payments on time and thus, the impact of delay in payment on our profitability has not been material.

Our Group had written off bad debts of RM3.00 million and provided for allowance for doubtful debts of RM4.67 million representing 0.18% and 0.28% of our revenue for the FYE 31 December 2014, respectively.

To keep our credit risk under control, we assess the financial and credit position of potential clients by reviewing their audited financial statements, as well as carrying out checks on their reputation and creditability in terms of timeliness and ability to honour payments for contracts with other contractors within the construction industry.

For existing clients, we continually assess and review their credit position and maintain close contact with these clients, thereby allowing us to be in a better position to notice any changes that may have an impact on their credit position and thus affect their ability to make payment for our services and products. We may also periodically review the audited financial statements of these clients to assess their financial position.

Nevertheless, there is no assurance that all debts/ costs would be fully collected/ recovered.

6.2.6 Insurance risk

The assets owned by our Group face the risk of suffering physical damage caused by fire, natural disasters or other acts of God. Certain type of risks may be uninsurable or the cost of insurance may be prohibitive when compared to risk.

Our Group has taken and will take the necessary measures to insure our assets in accordance with generally accepted market practice. However, there can be no assurance that such coverage would be adequate for the replacement cost of the assets or any consequential losses in the event of any insurance claims in the future.

In addition, our Group's insurance policies and terms of coverage are subject to periodic renewals and renegotiations and there is no assurance as to the nature and extent of coverage will be available on commercially reasonable terms in the future. Any material increase in the rates of insurance policies or decrease in available coverage in the future will adversely affect our Group's business, results of operations and financial condition.

Our Group is also exposed to potential third party claims or litigation by tenants, shoppers, contractors or other persons relating to personal injury or other damages resulting from contact with or use of our Group's properties. Such third party claims may be made against our Group as, amongst others, the owner, manager or developer of such properties. There can be no assurance that insurance coverage obtained by our Group will be adequate to safeguard our Group from the impact of such potential third party claims or litigation.

6.2.7 Borrowings and fluctuations in interest rates

Our Group obtained bank borrowings and loan facilities to finance, *inter alia*, our day to day operations. As payment of interest on the bank borrowings is dependent on prevailing interest rates, future fluctuations of interest rates could materially affect our Group's profitability.

In addition, the agreements on bank credit facilities and securities in relation thereto, contain covenants which may limit our Group's future operating and financing flexibility. Any breach of such covenants may give rise to a right by the financiers to terminate the relevant credit facilities and/ or enforce any security granted in relation to the particular credit facility.

Our Group's gross gearing stood at 1.09 times and 1.06 times as at 31 December 2014 and 31 March 2015, respectively, and all our borrowings are interest bearing obligations. Any interest rate hike may affect our businesses and hence, we manage the net exposure to interest rate risks by maintaining sufficient lines of credits to obtain acceptable lending costs and by monitoring the exposure to such risks on an ongoing basis. As at the LPD, we have not encountered any default in payment on the borrowings.

Notwithstanding that, we shall continue to undertake the abovementioned measures in managing our net exposure to any such interest rate risks.

6.2.8 Foreign exchange risks

Certain of our businesses involve foreign currencies, such as our overseas construction jobs in Middle East. We revalue our foreign currency advances on our statements of financial position to account for changes in currency rates and recognise the resulting gains or losses in our statements of comprehensive income. As for our investments, we account for changes in currency rates in the exchange resources in the statement of changes in equity. However, sudden and significant changes in the foreign exchange rate could affect our financial condition, if the prices our products fail to reflect fully the changes in our costs or if our currency position is not properly hedged. As a result, fluctuations in the value of RM against other currencies can have direct effect on our results of operations and shareholders' equity and may adversely affect our business, financial condition, results of operations and prospects.

Our management will constantly monitor our Group's foreign currencies exposure and will take the necessary steps to minimise our exposure to the foreign exchange fluctuation.

6.2.9 Influence by several of our Company's substantial shareholders

Our Company's substantial shareholders, namely WCT Capital Sdn Bhd, Taing Kim Hwa and Wong Sewe Wing, collectively owned a total of approximately 19.79% equity interest in our Company as at the LPD. Further, Taing Kim Hwa and Wong Sewe Weng are shareholders in WCT Capital Sdn Bhd whilst Taing Kim Hwa is the Managing Director of our Company. As a result, it is possible that the said substantial shareholders will be able to influence the outcome of certain matters requiring vote of our shareholders unless they are required to abstain from voting by law and/ or the relevant authorities.

While our Board is responsible for our overall business operation, the presence of our independent non-executive directors ensures corporate accountability by taking into consideration the interests of not only our Group but also the minority shareholders. In the event of a conflict of interest position/ situation, the affected director(s) is/ are required to abstain from all deliberations and voting in the relevant decision-making process. This is to ensure that all decisions made by our Board are in the best interest of our shareholders.

6.2.10 Dependence on key personnel

Our continued success is dependent on the ability, expertise, experience, competency and continued efforts of our existing Board and key management personnel. The departure of any of these individuals without suitable and timely replacements and an inability to attract or retain qualified and suitable personnel may have an unfavourable and material impact on the business and operating results of our Group.

To avoid over dependence on any key personnel, we strive to attract qualified and experienced personnel as well as to enhance our succession planning programme by grooming junior personnel to complement our management team. We believe that offering competitive salary packages, training and having a conducive working environment should mitigate this risk further, and in turn help to ensure continuity and competency of our management team.

6.3 Risks relating to the Rights Issue of Shares

6.3.1 Market risks for the Rights Shares

The prices of WCT Shares as traded on Bursa Securities may fluctuate, like all other listed securities. A variety of factors could cause the price of WCT Shares to fluctuate, including trades of substantial amounts of WCT Shares in the public market, announcements of developments relating to our Group's business, fluctuation in our Group's operating results and revenue levels, general industry conditions or economic conditions.

In addition to the fundamentals of our Group, the future price performance of WCT Shares will also depend upon various external factors such as general economic, political and industry conditions, the performance of regional and world bourses as well as sentiments and liquidity in the local stock market.

There is no assurance that WCT Shares will be traded at or above the issue price of RM1.00 and TERP of RM1.75 based on the five (5)-day WAMP up to and including 22 April 2015, being the last trading day of WCT Shares immediately preceding the price-fixing date, of RM1.82 per WCT Share, after the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities.

6.3.2 Delay in or abortion of the Rights Issue of Shares

The Rights Issue of Shares is exposed to the risk that it may be aborted or delayed on the occurrence of any material adverse change of events/ circumstances such as unfavourable changes in the governments' policies including taxation regulations as well as other force majeure events, which are beyond the control of our Company and RHBIB, arising prior to or during the implementation of the Rights Issue of Shares.

Nevertheless, our Group will endeavour to ensure the successful listing of the Rights Shares. However, there can be no assurance that the above-mentioned events will not occur and cause a delay in or abortion of the Rights Issue of Shares. In the event the Rights Issue of Shares is aborted, our Group will repay without interest all monies received in respect of the accepted application for the subscription of the Rights Shares pursuant to the Rights Issue of Shares and if such monies are not repaid within 14 days after we become liable to repay, we will repay such monies with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC in accordance with Section 243(2) of the CMSA.

In the event that the Rights Shares of Shares is aborted/ terminated, and the Rights Shares have been allotted to the shareholders, a return of monies to all holders of the Rights Shares could only be achieved by way of cancellation of share capital as provided under the Act and its related rules. Such cancellation requires the sanction of our shareholders by special resolution in a general meeting, consent of our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya. There can be no assurance that such monies can be recovered within a short period of time or at all in such circumstances.

6.4 Forward-looking statements

Certain statements in this Abridged Prospectus are based on historical data, which may not be reflective of the future results and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements are based on assumptions made by our management and although believed to be reasonable at that time, are subject to known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, inter-alia, the risk factors as set out in this section. In view of these and other uncertainties, the inclusion of a forward-looking statement in this Abridged Prospectus should not be regarded as a representation or warranty by us on the achievability of our future plans and objectives.

7. INDUSTRY OVERVIEW AND FUTURE PROSPECTS OF OUR GROUP

7.1 Overview and outlook of the Malaysian Economy

The economic growth momentum in 2014 is expected to continue in 2015 driven by improving external demand and resilient domestic economic activity. Growth will be private-led in line with the government's effort to strengthen the private sector's role in the economy. On the supply side, all economic sectors are expected to record positive growth in 2015, with the services and manufacturing sectors remaining the major contributors to growth. Sustained growth in domestic demand, albeit at moderate pace, is expected to contribute to the expansion in domestic-related activities. Meanwhile, the export-oriented industries, particularly the electronics and electrical subsector will benefit from the improvement in external conditions in line with improving global growth.

In 2015, inflation is expected to increase 4% - 5%, largely due to implementation of Goods and Services Tax ("GST") and spill-over effect of fuel subsidy reduction in October 2014. Given the subdued external cost pressure, domestic cost remains the major factor that drives inflation in 2015. The implementation of the GST will have transitory impact on the cost of goods and services. However, the strong capacity expansion over the past years will help to mitigate the cost pressure, while a more cautious stance of consumers would also contribute to moderating demand and hence prevent inflation from becoming more entrenched.

(Source: Chapter 3 – Economic Performances and Prospects, Economic Report 2014/ 2015, Ministry of Finance, Malaysia)

The Malaysian economy is expected to remain on a steady growth path. Domestic demand will remain the key driver of growth amid the lower oil prices. Investment activity is projected to remain resilient, with continued capital spending by both the private and public sectors. While private consumption is expected to moderate as households adjust to the introduction of the Goods and Services Tax (GST), the steady rise in income and stable labour market conditions would support household spending. The recovery in global growth while remaining moderate, will provide support to manufactured exports, although lower commodity prices will likely weigh down on overall exports.

(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2015, Bank Negara Malaysia)

7.2 Overview and outlook of the Qatari Economy

Economic growth, estimated using 2004 prices, is forecast to remain robust in 2014 at 6.3%, rising to 7.7% in 2015 and to 7.5% in 2016. Solid expansion in non-hydrocarbon activities (defined as all economic activity other than upstream oil and gas production and other mining activities) is expected to continue to drive overall growth momentum over the projection period. In 2015 – 2016, continued robust expansion in non-hydrocarbon activities will be bolstered by production from Barzan, as it gradually comes on stream, facilitating expansion in related downstream industries.

Output from the hydrocarbon sector (including other mining activities) is set to contract in 2014 by 1.8%. Most of that decline comes from declining production at maturing oil fields. Gas output is expected to be broadly stable in 2014, having saturated capacity in 2013. In 2015, however, hydrocarbon output will expand—by a modest 0.3%—as the lift in gas production from Barzan more than offsets the expected decline in oil output. This impulse to hydrocarbon growth will be temporary though, tapering off in 2016, as oil production continues to decline at a higher rate.

Vigorous investment spending, an expansionary fiscal stance and a rising population will continue to spur robust broad-based growth in the non-hydrocarbon sector. Services will be the largest contributor to growth, followed by construction.

(Source: Qatar Economic Outlook 2014 -2016 Update, Ministry of Development Planning and Statistics, Qatar)

7.3 Outlook of the construction and property development industries in Malaysia

The construction sector is projected to increase 10.7% in 2015 (2014: 12.7%) supported by commencement of some oil and gas related projects such as Refinery and Petrochemical Integrated Development ("RAPID") as well as ongoing transportation related infrastructure projects. Meanwhile, the residential subsector is expected to remain strong in view of the increased demand for housing, particularly from the middle-income group. Demand for affordable housing will remain favourable amid several government initiatives such as 1Malaysia Housing Programme (PR1MA), Rumah Idaman Rakyat (RIR) and Rumah Mesra Rakyat (RMR). The non-residential subsector is also expected to remain stable supported by encouraging demand for industrial and commercial buildings. Major commercial building projects such as the 118-storey Menara Warisan and Bukit Bintang City Centre are expected to contribute to the growth of the sector.

(Source: Chapter 3 – Economic Performances and Prospects, Economic Report 2014/ 2015, Ministry of Finance, Malaysia)

The construction sector registered a strong growth of 9.7% during the first quarter of 2015 (Q4 2014: 8.8%) supported by the non-residential and residential subsectors. The non-residential subsector rose by 17.4% (Q4 2014: 16.9%) bolstered by the construction of factories, particularly in Sabah and Sarawak as well as the construction of buildings for education. The residential subsector increased by 15.3% (Q4 2014: 15%) mainly due to higher housing construction activities amid favourable economic and business conditions.

The civil engineering subsector staged a rebound at 1.7% (Q4 2014: -5%) supported by construction of the MRT project and roads. During the quarter, the total value of construction works recorded a double-digit growth of 15.1% to RM28.7 billion with 9,982 projects registered (Q4 2014: 9.7%; RM27.1 billion; 10,000 projects). The highest share was contributed by the non-residential building subsector with 34.8% or RM10 billion, followed by the civil engineering subsector (30.5%), residential buildings (29.9%) and special trades (4.8%). The private sector continued to dominate construction activities with a share of 68.4% during the quarter.

(Source: Quarterly update on the Malaysia Economy – 1st Quarter 2015, Ministry of Finance)

7.4 Outlook of retail property and/ or retail industry in Malaysia

The wholesale and retail trade as well as accommodation and restaurant subsectors are anticipated to increase 7.1% and 5.9%, respectively in 2015 (2014: 7.7%; 6.1%) driven by stronger domestic consumption and higher tourist arrivals following the Malaysia Year of Festivals 2015.

(Source: Chapter 3 – Economic Performances and Prospects, Economic Report 2014/ 2015, Ministry of Finance, Malaysia)

In the Eleventh Malaysia Plan 2016 - 2020, emphasis will be given to enhance productivity, modernise retail trade, increase internationalisation, and raise consumer education and protection. The wholesale and retail trade subsector is expected to grow further, underpinned by the anticipated increase in private consumption, higher tourist spending and positive economic growth. The subsector is forecasted to achieve an average annual growth rate of 5.8% and contribute 14.7% to the GDP, while employment is expected to increase to 2.9 million by 2020.

Promotional campaigns will be intensified to promote Malaysia as top-of-the-mind shopping destination in Asia Pacific. More events and promotional activities such as fashion and cultural shows will be held at key shopping areas. Service quality of front liners at retail outlets will be improved through continuous training and rewarding excellent performers.

(Source: Strategy Paper 18, Eleventh Malaysia Plan 2016 – 2020, Economic Planning Unit)

7.5 Outlook of the construction industry in Qatar

As was the case in the first half of 2014, construction is expected to continue recording the strongest growth among all economic sectors during the projection period. It will continue to benefit from the rollout of planned public investment projects, including local roads and expressways, Doha metro and rail, drains and sanitation, and construction of new health centres and education facilities. The building of stadiums and other infrastructure for the FIFA World Cup 2022 will also gather momentum. Private construction activity centred on residential and commercial real estate development, including new malls, hotels and labour accommodation, will also support the sector's expansion.

(Source: Qatar Economic Outlook 2014 - 2016 Update, Ministry of Development Planning and Statistics, Qatar)

7.6 Future prospects of Our Group

The existing principal activities of our Company are investment holding and provision of management services to the subsidiaries. Our subsidiaries are involved in engineering and construction, property development as well as property investment and management.

Our Engineering and Construction Division is involved in construction of expressways and highways, airfield facilities, water treatment plants, dams and general services related to earthworks, civil works and construction activities. Details of the balance order book of our Engineering and Construction Division are set out as follows:-

	RM'million
External clientele	
- Malaysia	1,656
- Qatar	1,187
	<u>2,843</u>
Internal clientele	
- Construction jobs for Property Development Division	341
- Construction jobs for Property Investment and Management Division	732
	<u>1,073</u>

The aforementioned order book is expected to provide earnings visibility to our Group over the next three (3) to four (4) years.

It should be noted that the revenue to be recognised from the aforementioned order book in respect of internal clientele will be subject to inter-segment elimination for the purpose of consolidating our revenue on a group basis.

Our Group is not dependent on any particular client and our order book was secured mainly from various clients. Moving forward, our Group will leverage on its 34 years' of civil engineering and construction track record, skilled and experienced human capital, and large fleet of plant and machinery (such as tower cranes, excavators, wheel loaders) to tender for public and private project to replenish and/ or build up its order book.

Our Group's Property Development Division has unbilled sales of approximately RM658 million as at 31 March 2015. Our Group expects to launch several property development projects with an estimated GDV amounting to approximately RM660 million during year 2015.

The property development projects currently undertaken by our Group are set out below:-

Launched projects

Project name	Location	Development type	GDV RM' million	Gross development cost RM' million	Expected completion date	Stages of completion as at the LPD %
Bandar Bukit Tinggi 1	Klang	Residential and commercial	2,201	1,717	Second quarter 2020	53
Bandar Bukit Tinggi 2	Klang	Residential and commercial	3,065	2,391	Fourth quarter 2021	47
Bandar Parklands	Klang	Residential and commercial	4,476	3,491	Fourth quarter 2021	26
1Medini Residences	Iskandar Malaysia	Residential	930	725	Third quarter 2016	59
Laman Greenville	Klang South	Residential	712	534	Second quarter 2019	50
Skycz Jelutong	Shah Alam	Residential	161	132	First quarter 2017	31
Paradigm Petaling Jaya	Petaling Jaya	Residential and commercial	516	404	Fourth quarter 2017	48
Paradigm JB	Johor Bahru	Residential and commercial	231	185	Fourth quarter 2017	6
Total			12,292	9,579		

Projects to be launched in year 2015^{*1}

Project name	Location	Development type	GDV RM' million	Gross development cost RM' million	Expected completion date
Bandar Parklands (Phase A6)	Klang	Residential	60	54	Second quarter 2018
Paradigm Petaling Jaya (Tower D)	Petaling Jaya	Residential	307	239	Fourth quarter 2017
Inanam Residence	Kota Kinabalu	Residential	200	156	Third quarter 2018
Bandar Bukit Tinggi 2 (Phase 1H)	Klang	Residential	93	84	Fourth quarter 2018
Total			660	533	

Note:-

^{*1} The construction works for these projects have yet to commence, hence information on stages of completion is not disclosed

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The abovementioned future launches may be subject to changes by the management of our Group due to various factors, including amongst others, changes in market and economic conditions and changes in feasibility of the proposed launches.

Our balance sheet will enable us to acquire more quality land banks as our Company continues to pursue the identification of more lands in Klang Valley, Iskandar Malaysia, and Kota Kinabalu for potential acquisition. In addition, riding on our Group's success of various property development projects, our Group will continue to expand its presence to ensure continued sustainable growth.

Our Property Investment and Management Division is involved primarily in the ownership and management of hotels, shopping malls and concession assets. Our portfolio under this division includes Première Hotel at Klang, Bukit Tinggi Shopping Centre, Paradigm Mall Petaling Jaya and gateway@klia2. The business hotels will complement our integrated commercial development at The Paradigm, Petaling Jaya and Paradigm Johor Bahru upon commencement of business.

Our maiden retail project, Bukit Tinggi Shopping Centre with a gross lettable area of 1.0 million square feet and 5,000 car parks was opened in Klang South in year 2008. The entire shopping centre is currently leased to a major retailer in Malaysia and provides a steady recurring income to our Group.

The Paradigm Mall in Petaling Jaya with net lettable area of 680,000 square feet and 4,300 car parks was opened in year 2012. The said mall has garnered positive response with 98% retail space occupancy as at the LPD. The mall has more than 80 fashion brands and accessories as well as more than 80 food and beverage tenants in operations as at the LPD.

Our first concession asset in Malaysia – gateway@klia2 – was launched on 2 May 2014. The aforesaid concession asset is a four (4)-level airport mall with approximately 360,000 square feet of lettable space that offers seamless connectivity to the departure and arrival levels to and from KLIA2 main airport terminal building. Besides being a leisure and shopping hub, the mall also has 5,600 car park bays to cater for KLIA2 passengers, visitors and airport staff. At the heart of the mall is the main transportation hub of KLIA2 where taxis, buses and Express Rail Link all meet at this centralised location. The retail space occupancy rate at gateway@klia2 is 74% as at the LPD.

The opening of gateway@klia2 increased our lettable areas of shopping malls from 1.68 million to about 2.04 million square feet. Moving forward, our Company will have additional 1.25 million square feet of net lettable areas with the opening of Paradigm Mall in Johor Bahru in 2016.

This division will continue to strengthen its position in the retail and hospitality industry and will continue to grow its ownership and management of commercial properties to generate sustainable and recurrent income and maximise capital appreciation of investments.

8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE OF SHARES**8.1 Issued and paid-up share capital**

The pro forma effects of the Rights Issue of Shares on our issued and paid-up share capital as at the LPD are set out below:-

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Issued and paid-up share capital as at the LPD	1,092,552,364	546,276,182	1,092,552,364	546,276,182
Less: Treasury shares, at par	(17,739,870)	(8,869,935)	(17,739,870)	(8,869,935)
	<u>1,074,812,494</u>	<u>537,406,247</u>	<u>1,074,812,494</u>	<u>537,406,247</u>
Resale of treasury shares	-	-	17,739,870	8,869,935
To be issued assuming full exercise of Warrants C	-	-	156,986,399	78,493,200
To be issued assuming full exercise of Warrants D	-	-	163,631,152	81,815,576
To be issued assuming full exercise of ESOS Options granted	-	-	19,094,000	9,547,000
	<u>1,074,812,494</u>	<u>537,406,247</u>	<u>1,432,263,915</u>	<u>716,131,958</u>
To be issued pursuant to the Rights Issue of Shares	107,481,249	53,740,625	143,226,391	71,613,195
	<u>1,182,293,743</u>	<u>591,146,872</u>	<u>1,575,490,306</u>	<u>787,745,153</u>
To be issued upon the full exercise of Warrants E	236,458,748	118,229,374	315,098,061	157,549,031
Enlarged issued and paid-up share capital	<u>1,418,752,491</u>	<u>709,376,246</u>	<u>1,890,588,367</u>	<u>945,294,184</u>

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8.2 NA per Share and gearing

Based on the audited consolidated statements of financial position of our Group as at 31 December 2014, the pro forma effects of the Rights Issue of Shares on the NA per Share and gearing of our Group are set out below:-

Minimum Scenario

	I	II	III	IV
	Adjusted for the subsequent event up to and including the LPD ¹	After I and after the Rights Issue of Shares	After II and after Bonus Issue of Warrants	After III and assuming full exercise of the Warrants E
	RM'000	RM'000	RM'000	RM'000
Audited as at 31 December 2014				
Share capital	546,276	600,017	600,017	718,246
Share premium	2,174,151	2,215,918 ²	2,215,918	2,601,496 ⁴
Reserves	(458,781)	(448,808) ³	(448,808)	(460,781) ⁵
Treasury shares, at cost	(27,266)	(31,552)	(31,552)	(31,552)
Shareholders' equity/ NA⁵	2,234,380	2,335,575	2,335,575	2,827,409
No. of shares in issue (excluding treasury shares, if any) ('000)	1,077,586	1,182,294	1,182,294	1,418,752
NA ⁶ per share (RM)	2.07	1.98	1.98	1.99
Borrowings (RM'000)	2,430,512	2,430,512	2,430,512	2,430,512
Gearing (times)	1.09	1.04	1.04	0.86

Notes:-

¹ After adjusting for the share buy-back of 2,774,000 Shares from 1 January 2015 to the LPD for a total cost of RM4.29 million

² After accounting for the issuance of 107,481,249 Rights Shares at the issue price of RM1.00 per Rights Share and deducting for the warrant reserve of RM11.97 million in relation to the issuance of 236,458,748 Warrants E pursuant to the Bonus Issue of Warrants

³ After deducting the estimated expenses of approximately RM2,000,000 in relation to the Corporate Exercises and recognition of warrant reserve of RM11.97 million in relation to issuance of 236,458,748 Warrants E pursuant to the Bonus Issue of Warrants

⁴ After accounting for the issuance of 236,458,748 new Shares and reversal of warrants reserve arising from the full exercise of the Warrants E at the exercise price of RM2.08 per Warrant E

^{*5} After deducting the warrants reserve of RM11.97 million upon full exercise of Warrants E at the exercise price of RM2.08 per Warrant E

^{*6} NA less non-controlling interest

For information purposes, the effects of the Rights Issue of Shares and the Bonus Issue of Warrants have been illustrated in separate column in this Abridged Prospectus for clarity reason. However, for the purposes of the Pro Forma Statements of Financial Position as set out in Appendix III of this Abridged Prospectus, the effects of the Rights Issue of Shares and the Bonus Issue of Warrants are illustrated on a combined basis as these two (2) Corporate Exercises are inter-conditional.

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Maximum Scenario

	I	II	III	IV	V
	Adjustment for the subsequent event up to and including the LPD ¹	After I and assuming all the existing treasury shares are resold in the open market and full exercise of the Convertible Securities ²	After II and after the Rights Issue of Shares	After III and after the Bonus Issue of Warrants	After IV and assuming full exercise of the Warrants E
	RM'000	RM'000	RM'000	RM'000	RM'000
Audited as at 31 December 2014					
Share capital	546,276	716,132	787,745	787,745	945,294
Share premium	2,174,151	2,790,955	2,846,355 ³	2,846,355	3,360,423 ⁵
Reserves	(458,781)	(516,973)	(502,760) ⁴	(502,760)	(518,973) ⁶
Treasury shares, at cost	(27,266)	-	-	-	-
Shareholders' equity/ NA⁶	2,234,380	2,990,114	3,131,340	3,131,340	3,786,744
No. of shares in issue (excluding treasury shares, if any) ('000)	1,077,586	1,432,264	1,575,490	1,575,490	1,890,588
NA ⁷ per share (RM)	2.07	2.09	1.99	1.99	2.00
Borrowings (RM'000)	2,430,512	2,430,512	2,430,512	2,430,512	2,430,512
Gearing (times)	1.09	0.81	0.78	0.78	0.64

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Notes:-

^{*1} After adjusting for the share buy-back of 2,774,000 Shares from 1 January 2015 to the LPD for a total cost of RM4.29 million

^{*2} After assuming the following adjustments under the Maximum Scenario:-

a. All the 17,739,870 treasury shares are resold into the open market at their respective acquisition prices

b. Issuance of new Shares and accounting for the proceeds arising from the full exercise of the following outstanding Convertible Securities:-

<u>Convertible Securities</u>	<u>No. of new Shares issued</u>	<u>Exercise price</u>
Warrants C	156,986,399	RM2.04
Warrants D	163,631,152	RM2.25
ESOS Options	19,094,000	RM2.0973 (based on weighted average exercise price)

c. Reversal of warrants reserve and equity compensation reserve upon the full exercise of the outstanding Warrants C and ESOS Options, respectively

^{*3} After accounting for the issuance of 143,226,391 Rights Shares at the issue price of RM1.00 per Rights Share and deducting the warrant reserve of RM16.21 million in relation to the issuance of 315,098,061 Warrants E pursuant to the Bonus Issue of Warrants

^{*4} After deducting the estimated expenses of approximately RM2,000,000 in relation to the Corporate Exercises and recognition of warrant reserve of RM16.21 million in relation to issuance of 315,098,061 Warrants E pursuant to the Bonus Issue of Warrants

^{*5} After accounting for the issuance of 315,098,061 new Shares and reversal of warrants reserve arising from the full exercise of the Warrants E at an exercise price of RM2.08 per Warrant E

^{*6} After deducting the warrants reserve of RM16.21 million upon full exercise of Warrants E at the exercise price of RM2.08 per Warrant E

^{*7} NA less non-controlling interest

For information purposes, the effects of the Rights Issue of Shares and the Bonus Issue of Warrants have been illustrated in separate column in this Abridged Prospectus for clarity reason. However, for the purposes of the Pro Forma Statements of Financial Position as set out in Appendix III of this Abridged Prospectus, the effects of the Rights Issue of Shares and the Bonus Issue of Warrants are illustrated on a combined basis as these two (2) Corporate Exercises are inter-conditional.

8.3 Earnings and EPS

The Rights Issue of Shares is not expected to have any material effect on the earnings of our Group for the FYE 31 December 2015. However, the EPS of our Group may be diluted as a result of the increase in the number of WCT Shares in issue upon the completion of the Rights Issue of Shares by the third quarter of 2015.

Purely for illustrative purposes only, based on the consolidated financial statements of our Group for the FYE 31 December 2014, the pro forma effects of the Rights Issue of Shares on the EPS of our Group are as set as follows:-

Minimum Scenario

	Audited as at 31 December 2014	I Adjustment for the subsequent event up to and including the LPD ¹	II After I and the Rights Issue of Shares	III After II and the Bonus Issue of Warrants	IV After III and assuming full exercise of the Warrants E
Number of Shares in issue (excluding treasury shares) ('000)	1,077,586	1,074,812	1,182,294	1,182,294	1,418,752
Profit attributable to owners of our Company (RM'000)	122,918	122,918	120,918 ²	120,918	120,918
Basic EPS (sen)	11.41	11.44	10.23	10.23	8.52

Notes:-

¹ After adjusting for the share buy-back of 2,774,000 Shares from 1 January 2015 up to the LPD for a total cost of RM4.29 million

² After deducting the estimated expenses of approximately RM2,000,000 in relation to the Corporate Exercises

Maximum Scenario

	I	II	III	IV	V
		After I and assuming all the treasury shares are resold in the open market and full exercise of the Convertible Securities ²	After III and Rights Issue of Shares	After III and the Bonus Issue of Warrants	After IV and assuming full exercise of the Warrants
	Adjusted as at 31 December 2014	Adjustment for the subsequent event up to and including the LPD ¹			
Number of Shares in issue (excluding treasury shares, if any) ('000)	1,077,586	1,074,812	1,575,490	1,575,490	1,890,588
Profit attributable to owners of our Company (RM'000)	122,918	122,918	120,918 ³	120,918	120,918
Basic EPS (sen)	11.41	11.44	7.67	7.67	6.40

Notes:-

¹ After adjusting for the share buy-back of 2,774,000 Shares from 1 January 2015 up to the LPD for a total cost of RM4.29 million

² After assuming the following adjustments under the Maximum Scenario:-

- a. All the 17,739,870 treasury shares are resold into the open market at their respective acquisition prices
- b. Issuance of new Shares and accounting for the proceeds arising from the full exercise of the following outstanding Convertible Securities:-

Convertible Securities	No. of new Shares issued	Exercise price
Warrants C	156,986,399	RM2.04
Warrants D	163,631,152	RM2.25
ESOS Options	19,094,000	RM2.0973 (based on weighted average exercise price)

- c. Reversal of warrants reserve and equity compensation reserve upon the full exercise of the outstanding Warrants C and ESOS Options, respectively

³ After deducting the estimated expenses of approximately RM2,000,000 in relation to the Corporate Exercises

9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

9.1 Working capital

Our Board is of the opinion that, after taking into consideration our cash flow generated from our operations, current cash in hand and banking facilities available as well as proceeds from the Rights Issue of Shares, our Group will have sufficient working capital for the next 12 months from the date of this Abridged Prospectus.

9.2 Borrowings

As at the LPD, our Group has total outstanding borrowings of approximately RM2,449 million. All the borrowings are denominated in local currency, interest-bearing and comprise the following:-

	RM'000
Short term borrowings:-	
Bank overdraft	26,025
Revolving credit	120,232
Trust receipt	11,856
Term loans	102,189
Bonds	295,570
	<u>555,872</u>
Long term borrowings:-	
Term loans	292,942
Medium term notes	1,000,000
Sukuk Murabahah	600,000
	<u>1,892,942</u>
Total	<u><u>2,448,814</u></u>

After having made all reasonable enquiries by our Board, there has been no default on payments of either interest and/ or principal sums in respect of any borrowings for the FYE 31 December 2014 and the subsequent financial period up to the LPD.

9.3 Contingent liabilities

As at the LPD, save as disclosed below, our Board confirms that there are no other contingent liabilities incurred or known to be incurred by our Group, which upon becoming enforceable, may have a material impact on the financial result/ position of our Group:-

	RM'million
Bank guarantees	744,447
Letter of credit	26,668
The tax matter under appeal in respect of corporation tax and service tax of a foreign subsidiary	3,790
TOTAL	<u><u>774,905</u></u>

9.4 Material commitments

As at the LPD, save as disclosed, there are no material commitments for capital expenditure incurred or known to be incurred by our Group that upon becoming enforceable, may have a material impact on the financial results/ position of our Group:-

	RM'000
Approved and contracted for:-	
Land	109,721
Property, plant and equipment	94,724
Investment property	371,621
Share of capital commitment of joint operations	85,486
TOTAL	661,552

Our Group intends to fund the abovementioned material commitments from internally-generated funds and/ or bank borrowings.

10. INSTRUCTIONS FOR ACCEPTANCE, SALE OR TRANSFER, EXCESS APPLICATION AND PAYMENT

10.1 General

The Provisional Rights Shares are prescribed securities under Section 14(5) of the SICDA and therefore, all dealings in the Provisional Rights Shares will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. As an Entitled Shareholder, you and/ or your renounee(s) and/ or transferee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making applications to subscribe for the Rights Shares.

If you are an Entitled Shareholder (other than an Authorised Nominee who has subscribed for NRS), you will find enclosed with this Abridged Prospectus the NPA notifying you of the crediting of such Provisional Rights Shares into your CDS Account and the RSF to enable you to subscribe for such Rights Shares that have been provisionally allotted to you, as well as to apply for Excess Rights Shares, if you choose to do so.

Full instructions for the acceptance of and payment for the Rights Shares provisionally allotted to you and/ or your renounee(s) and/ or transferee(s) (if applicable) and the procedures to be followed are set out in this Abridged Prospectus and the accompanying RSF. You are advised to read this Abridged Prospectus, the RSF and the notes and instructions contained in the documents carefully.

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository, an electronic copy of this Abridged Prospectus and the Rights Issue Entitlement File will be transmitted to you electronically by Bursa Depository through its existing network facility with the Authorised Nominees. Please refer to Sections 10.4.4 and 10.7.4 of this Abridged Prospectus for the procedures for acceptance as well as to apply for Excess Rights Shares, if you choose to do so.

Acceptances which do not strictly conform to the terms and conditions as well as the notes and instructions contained herein, or which may be illegible may not be accepted at the absolute discretion of our Board.

10.2 Important relevant dates and time

Last date and time for the sale of Provisional Rights Shares Wednesday, 15 July 2015 at 5.00 p.m.

Last date and time for the transfer of Provisional Rights Shares Tuesday, 21 July 2015 at 4.00 p.m.

Last date and time for acceptance and payment Friday, 24 July 2015 at 5.00 p.m.

Last date and time for application for Excess Rights Shares and payment Friday, 24 July 2015 at 5.00 p.m.

Our Board may decide, after consultation with the Joint Underwriters, to extend the last date and time for acceptance, application for Excess Rights Shares and payment to any later time(s) and/ or date(s). We will announce the extension (if any) not less than two (2) Market Days before the stipulated date and time. Proof of time of postage shall not constitute proof of the time of receipt by our Share Registrar.

Late applications will not be accepted.

10.3 Methods of application

You may subscribe for such number of Rights Shares that you have been provisionally allotted as well as to apply for Excess Rights Shares, if you so choose, using either of the following methods:-

Method of application	Category of Entitled Shareholders
RSF ^{*1}	All Entitled Shareholders
Electronic Application ^{*2} or Internet Application ^{*3}	All Entitled Shareholders
NRS	Authorised Nominee who has subscribed for NRS

Notes:-

^{*1} A copy of the RSF will be enclosed together with this Abridged Prospectus. The RSF is also available on the website of Bursa Securities (<http://www.bursamalaysia.com>).

^{*2} The following surcharge per Electronic Application will be charged by the Participating Financial Institutions:-

- Public Bank Berhad – RM4.24 (inclusive of 6% GST)
- Affin Bank Berhad – RM4.24 (inclusive of 6% GST)

^{*3} The following processing fee per Internet Application will be charged by the following Internet Participating Financial Institutions:-

- Public Bank Berhad (www.pbebank.com) – RM4.24 (inclusive of 6% GST)
- Affin Bank Berhad (www.affinbank.com.my) - RM4.24 (inclusive of 6% GST)

THE REMAINDER OF THIS IS INTENTIONALLY LEFT BLANK

10.4 Procedure for acceptance and payment

10.4.1 By way of RSF

If you wish to accept your entitlement, either in full or in part, please complete Parts I(A) and II of the RSF. Send each completed and signed RSF with the relevant payments in the reply envelope enclosed with this Abridged Prospectus, by the mode of despatch of your choice (at your own risk) to our Share Registrar at the following address:-

by **COURIER** or **DELIVERED BY HAND**:-

Symphony Share Registrars Sdn Bhd (378993-D)

Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

Helpdesk Tel : +603 - 7849 0777
Fax : +603 - 7841 8151/ 8152

by **ORDINARY POST**:-

Symphony Share Registrars Sdn Bhd (378993-D)

Peti Surat 9150
Pejabat Pos Kelana Jaya
46785 Petaling Jaya
Selangor Darul Ehsan

so as to arrive **not later than 5.00 p.m. on Friday, 24 July 2015**, being the last date and time for acceptance and payment for the Rights Shares, or such later date and time as our Board may determine and announce, after consultation with the Joint Underwriters, not less than two (2) Market Days before the stipulated date and time.

One (1) RSF can only be used for acceptance of Provisional Rights Shares standing to the credit of one (1) CDS Account. Separate RSF(s) must be used for the acceptance of Provisional Rights Shares standing to the credit of more than one (1) CDS Account(s). If successful, the Rights Shares subscribed for will be credited into your CDS Account(s) where the Provisional Rights Shares is standing to the credit.

A reply envelope is enclosed in this Abridged Prospectus. In order to facilitate the processing of the RSF by our Share Registrar, you are advised to use one (1) reply envelope for each completed RSF.

The minimum number of securities that can be subscribed for or accepted is one (1) Rights Share. However, you and/ or your renounee(s) and/ or transferee(s) (if applicable) should take note that a trading board lot for the Rights Shares comprises 100 Rights Shares. Fractions of Rights Shares, if any, will be disregarded, and shall be dealt with in such manner as our Board shall in its absolute discretion deem fit and expedient, and to be in the best interest of our Company.

If acceptance and payment for the Provisional Rights Shares (whether in full or in part, as the case may be) is not received by our Share Registrar by **5.00 p.m. on Friday, 24 July 2015**, being the last date and time and for acceptance and payment, or such later date and time as may be determined and announced by our Board, after consultation with Joint Underwriters, not less than two (2) Market Days before the stipulated date and time, you will be deemed to have declined the provisional entitlement made to you and it will be cancelled. In the event that the Rights Shares are not fully taken up by such applicants, our Board will then have the right to allot such securities to the applicants who have applied for the Excess Rights Shares in the manner as set out in Section 10.7 of this Abridged Prospectus.

If you or your renounee(s) and/ or transferee(s) (if applicable) lose, misplace or for any other reasons require another copy of the RSF, you may obtain additional copies from Bursa Securities' website at <http://www.bursamalaysia.com>, our Share Registrar at the address stated above or our Registered Office.

Each completed RSF must be accompanied by remittance in RM for the full amount payable for the Rights Shares accepted in the form of Banker's Draft(s)/ Cashier's Order(s)/ Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia crossed "**A/C PAYEE ONLY**" and made payable to "**WCT RIGHTS ISSUE ACCOUNT**" and endorsed on the reverse side with your name, address and CDS account number in block letters so as to be received by our Share Registrar not later than the last date and time for acceptance and payment as set out in the cover page of this Abridged Prospectus. **Cheques or any other mode(s) of payment are not acceptable.**

Applications accompanied by payments other than in the manner stated above or with excess or insufficient remittances may or may not be accepted at the absolute discretion of our Board. Details of the remittances must be filled in the appropriate boxes provided in the RSF.

Applicants should note that the RSF and remittances so lodged with our Share Registrar shall be irrevocable and cannot be subsequently withdrawn.

Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar. No acknowledgement of receipt of the RSF for the Rights Shares application or the application monies will be issued by our Company or our Share Registrar.

Applications for Rights Shares shall not be deemed to have been accepted by reason of the remittance being presented for payment.

Notification on the outcome of your application for the Rights Shares will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:-

- (i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Rights Shares; or
- (ii) unsuccessful/ partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the last day for application and payment for the Rights Shares.

If you have provided your bank account information to Bursa Depository for purposes of cash dividend/ distribution, the refund will be credited directly into that bank account. For this purpose, you are required to provide your consent via the RSF in accordance with the relevant laws of Malaysia, including Section 134 of the Financial Services Act, 2013 and Section 45(1)(a) of the SICDA, to the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant financial institutions, their respective agents and any third party who may be involved in facilitating the payment of refund to you as the case may be, of information pertaining to yourself and your account with the relevant financial institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the making of refund or for any other purpose in connection with such payments.

If the crediting of the refund into that bank account (details of which has been provided to Bursa Depository) is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

10.4.2 By way of Electronic Application

Only individuals who are Entitled Shareholders may apply for the Rights Shares by way of Electronic Application.

Please read carefully and follow the terms of this Abridged Prospectus, the procedures, terms and conditions for Electronic Application and the procedures set out at the ATMs of the Participating Financial Institutions before making an Electronic Application.

(i) **Steps for Electronic Applications through a Participating Financial Institutions' ATM**

The procedures for Electronic Applications at the ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions ("Steps"). For illustration purposes, the procedures for Electronic Applications at ATMs are set out below. The Steps set out the actions that you must take at the ATM to complete an Electronic Application. Please read carefully the terms of this Abridged Prospectus, the Steps and the Terms and Conditions for Electronic Applications set out below before making an Electronic Application.

- (a) You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account. An ATM card issued by one of the Participating Financial Institution cannot be used to apply for the Rights Share at an ATM belonging to other Participating Financial Institutions;
- (b) You are advised to read and understand this Abridged Prospectus **BEFORE** making the application; and

(c) You shall apply for the Rights Shares via the ATM of the Participating Financial Institutions by choosing the Electronic Application option. Mandatory statements required in the application are as set out in ,**"Terms and conditions for Electronic Applications"** (please refer to Section 10.4.2(iii) below). You shall enter at least the following information through the ATM when the instructions on the ATM screen require you to do so:-

- Personal Identification Number ("PIN");
- Select WCT Rights Issue Account;
- CDS Account number;
- Number of Rights Share applied for and/ or the RM amount to be debited from the account;
- Current contact number (e.g. your mobile phone number); and
- Confirmation of several mandatory statements.

Upon the completion of your Electronic Application transaction, you will receive a computer-generated transaction slip ("Transaction Record"), confirming the details of your Electronic Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Application or any data relating to such an Electronic Application by our Company or the Share Registrar. The Transaction Record is for your record and is not required to be submitted with your application.

You must ensure that you use the number of the CDS Account held in your name when making an Electronic Application. If you operate a joint bank account with any of the Participating Financial Institutions, you must ensure that you enter the number of the CDS Account held in your name when using an ATM card issued to you in your name. Your application will be rejected if you fail to comply with the foregoing.

(ii) Participating Financial Institutions

Electronic Applications may be made through an ATM of the following Participating Financial Institutions and their branches within Malaysia:-

- Public Bank Berhad
- Affin Bank Berhad

(iii) Terms and Conditions of Electronic Applications

The Electronic Application shall be made on, and subject to, the terms of this Abridged Prospectus, as well as the terms and conditions of the Participating Financial Institutions and those appearing herein:-

- (a) You are required to confirm the following statements (by pressing pre-designated keys or buttons on the ATM keyboard) and undertake that the following information given are true and correct:-
- (i) You have attained 18 years of age as at the last day for application and payment;
 - (ii) You have read the relevant Abridged Prospectus and understood and agreed with the terms and conditions of the application;

- (iii) You authorise the financial institution with which you have a bank account to deduct the full amount payable for the Rights Shares (including the processing fee as mentioned in Section 10.3 (Note 2) of this Abridged Prospectus) from your bank account with the said financial institution ("Authorised Financial Institution"); and
- (iv) You hereby give consent to our Company, Bursa Depository, our Share Registrar, the relevant Participating Financial Institution, their respective agents and any third party involved in facilitating the application/ refund, to disclose information pertaining to yourself and your account with the Participating Financial Institution and Bursa Depository to the relevant authorities and any person as may be necessary or expedient to facilitate the making of the application/ refund.

Your application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institution. By doing so, you shall have confirmed each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 134 of the Financial Services Act, 2013 and Section 45(1)(a) of the SICDA, to the disclosures as described above.

- (b) You confirm that you are not applying for the Rights Shares as a nominee of any other person and that any Electronic Application that you make is made by you as the beneficial owner.
- (c) You must have sufficient funds in your account with the relevant Participating Financial Institution at the time you make your Electronic Application, failing which your Electronic Application will not be completed. Any Electronic Application, which does not strictly conform to the instructions set out on the screen of the ATM through which the Electronic Application is being made, will be rejected.
- (d) You agree and undertake to subscribe for or purchase and to accept the number of Rights Shares applied for as stated on the Transaction Record in respect of your Electronic Application. Your confirmation (by your action of pressing the pre-designated keys (or buttons) on the ATM) of the number of Rights Shares applied for shall signify, and shall be treated as, your acceptance of the number of Rights Shares that may be allotted to you.

Should you encounter any problems in your Electronic Application, please refer to the Participating Financial Institution.

- (e) By making and completing your Electronic Application, you, if successful, requests and authorises our Company to credit the Rights Shares allotted to you into your CDS Account.
- (f) You acknowledge that your Electronic Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the Participating Financial Institutions or Bursa Depository and irrevocably agrees that if:-
 - (i) Our Company, our Share Registrar or Bursa Depository does not receive your Electronic Application; or

- (ii) Data relating to your Electronic Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made an Electronic Application and you shall not make any claim whatsoever against our Company, our Share Registrar, the Participating Financial Institution or Bursa Depository for the Rights Shares applied for or for any compensation, loss or damage relating to the application for the Rights Shares.

- (g) All of your particulars, including your nationality and place of residence, in the records of the relevant Participating Financial Institution at the time you make your Electronic Application shall be true and correct, and our Company, our Share Registrar, the relevant Participating Financial Institution and Bursa Depository shall be entitled to rely on the accuracy thereof.
- (h) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, your Electronic Application will be rejected. You must inform Bursa Depository promptly of any change in address, failing which, the notification letter of successful allocation will be sent to your correspondence address last maintained with Bursa Depository.
- (i) By making and completing an Electronic Application, you agree that:
 - (i) In consideration of our Company agreeing to allow and accept your application for the Rights Shares via the Electronic Application facility established by the Participating Financial Institutions at their respective ATMs, your Electronic Application is irrevocable and cannot be subsequently withdrawn;
 - (ii) Our Company, the Participating Financial Institution, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;
 - (iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for prescribed securities issued in respect of the Rights Shares for which your Electronic Application has been successfully completed is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Shares; and
 - (iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation with the contract between the parties and/ or the Electronic Application and/ or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.

- (j) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.
- (k) Notification on the outcome of your application for the Rights Shares will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:
 - (i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Rights Shares; or
 - (ii) unsuccessful/ partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the last day for application and payment for the Rights Shares.

The refund will be credited directly into your bank account from which your Electronic Application was made. Kindly take note of the terms and conditions as stated in Section 10.4.2(iii) of this Abridged Prospectus and the required consent in making your Electronic Application.

If the crediting of the refund into your bank account from which your Electronic Application was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

10.4.3 By way of Internet Application

All Entitled Shareholders may apply for the Rights Shares by way of Internet Application.

Please read carefully and follow the terms of this Abridged Prospectus, the procedures, terms and conditions for Internet Application and the procedures set out on the internet financial services website of the Internet Participating Financial Institutions before making an Internet Application.

(i) Step 1: Set up of account

Before making an application by way of Internet Application, you **must have** all of the following:-

- (a) an existing account with access to internet financial services with **Public Bank Berhad** at www.pbebank.com or **Affin Bank Berhad** at www.affinbank.com.my. Accordingly, you will need to have your user identification and PIN/ password for the internet financial services facility; and
- (b) a CDS Account held in your name.

(ii) Step 2: Read the Abridged Prospectus

You are advised to read and understand this Abridged Prospectus **BEFORE** making your application.

(iii) Step 3: Apply through Internet

While we will attempt to provide you with assistance in your application for the Rights Shares through Internet Applications, please note that the actual steps for Internet Applications through the internet financial services website of a particular Internet Participating Financial Institution may differ from the steps outlined below. The possible steps set out below are purely for illustration purposes only.

- (a) Connect to the internet financial services website of the Internet Participating Financial Institution with which you have a bank account;
- (b) Log in to the internet financial services facility by entering your user identification and PIN/ password;
- (c) Navigate to the section of the website on applications in respect of the Rights Shares;
- (d) Select the counter in respect of the Rights Shares to launch the electronic Abridged Prospectus and the terms and conditions of the Internet Application;
- (e) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions;
- (f) At the next screen, complete the online application form;
- (g) Check that the information contained in your online application form, such as the share counter (in this case, WCT Rights Issue Account), your NRIC number, your current contact number (e.g. your mobile phone number), your CDS Account number, number of Rights Shares applied for and the account number to debit are correct. Then select the designated hyperlink on the screen to confirm and submit the online application form.
- (h) Upon submission of the online application form, you will be linked to the website of the Authorised Financial Institution (as defined below) to effect the online payment of your money for the Rights Issue of Shares;
- (i) You must pay for the Rights Issue of Shares through the website of the Authorised Financial Institution (as defined below), failing which the Internet Application is not completed, despite the display of the Confirmation Screen. "Confirmation Screen" refers to the screen which appears or is displayed on the internet financial services website, which confirms that the Internet Application has been completed and states the details of your Internet Application, including the number of Rights Shares applied for, which can be printed out for your record;
- (j) As soon as the transaction is completed, a message from the Authorised Financial Institution (as defined below) pertaining to the payment status will appear on the screen of the website through which the online payment for the Rights Shares is being made. Subsequently, the Internet Participating Financial Institution shall confirm that the Internet Application has been completed, via the Confirmation Screen on its website; and

- (k) You are advised to print out the Confirmation Screen for your reference and record.

(iv) Terms and Conditions of Internet Applications

The Internet Application shall be made on, and subject to, the terms of this Abridged Prospectus, as well as the terms and conditions of the Internet Participating Financial Institution and those appearing herein:-

- (a) After selecting the designated hyperlink on the screen, you are required to confirm and undertake that the following information given are true and correct:-
- (i) You have attained 18 years of age as at the last day for application and payment;
 - (ii) You have, prior to making the Internet Application, received and/ or have had access to a printed/ electronic copy of this Abridged Prospectus, the contents of which you have read and understood;
 - (iii) You agree to all the terms and conditions of the Internet Application as set out in this Abridged Prospectus and have carefully considered the risk factors set out in this Abridged Prospectus, in addition to all other information contained in this Abridged Prospectus, before making the Internet Application;
 - (v) You authorise the financial institution with which you have a bank account to deduct the full amount payable for the Rights Shares (including the processing fee as mentioned in Section 10.3 (Note 3) of this Abridged Prospectus) from your bank account with the said financial institution ("Authorised Financial Institution"); and
 - (vi) You hereby give consent in accordance with the relevant laws of Malaysia (including Section 134 of the Financial Services Act, 2013 and Section 45(1)(a) of the SICDA) for the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant Internet Participating Financial Institutions, their respective agents and any third party involved in facilitating the application/ refund, of information pertaining to yourself, the Internet Application made by you, your account with the Internet Participating Financial Institution and/ or the Authorised Financial Institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the application/ refund.
- (b) You confirm that you are not applying for the Rights Shares as a nominee of any other person and that the Internet Application is made in your own name, as beneficial owner and subject to the risks referred to in this Abridged Prospectus.

- (c) You agree and undertake to subscribe for or purchase and to accept the number of Rights Shares applied for as stated on the Confirmation Screen in respect of your Internet Application. Your confirmation of the number of Rights Shares applied for shall signify, and shall be treated as, your acceptance of the number of Rights Shares that may be allotted to you.

Should you encounter any problems in your Internet Application, please refer to the Internet Participating Financial Institution.

- (d) By making and completing your Internet Application, you, if successful, request and authorise our Company to credit the Rights Shares allotted to you into your CDS Account.

- (e) You acknowledge that your Internet Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the Internet Participating Financial Institutions or Bursa Depository and irrevocably agrees that if:-

(i) Our Company, our Share Registrar or Bursa Depository does not receive your Internet Application; or

(ii) Data relating to your Internet Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made an Internet Application and you shall not make any claim whatsoever against our Company, our Share Registrar, the Internet Participating Financial Institutions or Bursa Depository for the Rights Shares applied for or for any compensation, loss or damage relating to the application for the Rights Shares.

- (f) All of your particulars, including your nationality and place of residence, in the records of the relevant Internet Participating Financial Institution at the time you make your Internet Application shall be true and correct, and our Company, our Share Registrar, the relevant Internet Participating Financial Institutions and Bursa Depository shall be entitled to rely on the accuracy thereof.

- (g) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Internet Participating Financial Institution are correct and identical. Otherwise, your Internet Application will be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your correspondence address last maintained with Bursa Depository.

- (h) By making and completing an Internet Application, you agree that:

(i) In consideration of our Company agreeing to allow and accept your application for the Rights Shares via the Internet Application facility established by the Internet Participating Financial Institutions at their respective internet financial services website, your Internet Application is irrevocable and cannot be subsequently withdrawn;

- (ii) Our Company, the Internet Participating Financial Institutions, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Internet Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;
 - (iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for prescribed securities issued in respect of the Rights Shares for which your Internet Application has been successfully completed is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Shares; and
 - (iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation with the contract between the parties and/ or the Internet Application and/ or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (i) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.
 - (j) Notification on the outcome of your application for the Rights Shares will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:-
 - (i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Rights Shares; or
 - (ii) unsuccessful/ partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the last day for application and payment for the Rights Shares.

The refund will be credited directly into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made. Kindly take note of the terms and conditions as stated in Section 10.4.3(iv) of this Abridged Prospectus and the required consent in making your Internet Application.

If the crediting of the refund into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

- (k) You authorise the Internet Participating Financial Institutions to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, Bursa Securities or other relevant parties in connection with the Rights Issue of Shares, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institutions, necessary for the provision of the Internet Application services or if such disclosure is requested or required in connection with the Rights Issue of Shares. Further, the Internet Participating Financial Institutions will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institutions in connection with the use of the Internet Application services.

10.4.4 By way of NRS

Our Company has appointed Bursa Depository to provide NRS to our shareholders who are Authorised Nominees. Only our Entitled Shareholders who are Authorised Nominees and who have subscribed for NRS with Bursa Depository may apply via NRS.

Please read carefully and follow the terms of this Abridged Prospectus, the procedures, terms and conditions for application via NRS and Bursa Depository's terms and conditions for NRS and User Guide for NRS (which are made available to all Authorised Nominees who have subscribed for NRS with Bursa Depository) before making the application.

(i) Steps for applications via NRS

- (a) If you are an Entitled Shareholder, and who is an Authorised Nominee who has subscribed for NRS with Bursa Depository, you will not be receiving this Abridged Prospectus, the RSF nor the NPA by post.
- (b) Instead, this Abridged Prospectus and a Rights Issue Entitlement File will be transmitted electronically to you by Bursa Depository through Bursa Depository's existing network facility with the Authorised Nominees in the manner as set out in Bursa Depository's User Guide for NRS, on the next business day after the Entitlement Date.
- (c) A notification of the delivery of the Abridged Prospectus and the Rights Issue Entitlement File will also be sent to you via email using the details you have provided to Bursa Depository when you subscribed for NRS with Bursa Depository.
- (d) You are advised to read carefully, understand and follow the terms of this Abridged Prospectus, **BEFORE** making the application.
- (e) You may accept, on behalf of your client, partially or fully, their respective allocation under the Rights Issue of Shares.
- (f) To apply for the Rights Shares, you will be required to submit your subscription information via a Rights Shares Subscription File which is to be prepared based on the format as set out in Bursa Depository's User Guide for NRS.

- (g) Once completed, you will need to submit the Rights Share Subscription File to Bursa Depository at any time daily before 5.00 p.m., but in any event no later than the last date and time for acceptance and payment.
- (h) Together with the Rights Shares Subscription File, you will also need to submit a confirmation to Bursa Depository of the following information:-
- (i) Confirmation that you have, prior to making the application via NRS, received and/ or had access to the electronic copy of this Abridged Prospectus, the contents of which you have read, understood and agreed; and
 - (ii) Consent to the disclosure of your information to facilitate electronic refunds where applicable.
- (i) With regards to payment for the Rights Shares which you have applied for, you must transfer the amount payable directly to our bank account, the details of which are as follows:-
- Bank: RHB Bank Berhad**
Account Name : WCT RIGHTS ISSUE ACCOUNT
Bank Account No. : 21418300048060
- prior to submitting the Rights Shares Subscription File to Bursa Depository.
- (j) Upon completion of the transfer/ payment, you may receive a transaction slip ("Transaction Record") from the transacting financial institution confirming the details of your transfer/ payment. The Transaction Record is only a record of the completed transaction and not a record of the receipt of the application via NRS or any data relating to such an application by our Company or Bursa Depository. The Transaction Record is for your record and is not required to be submitted with your application via NRS.
- (k) You will be notified on the outcome of your application for the Rights Shares electronically within the timelines as stated below. No physical notice of allotment will be mailed to you.
- (i) successful application – an electronic notification will be sent to you within eight (8) Market Days from the last day for application and payment for the Rights Shares; or
 - (ii) unsuccessful/ partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the last day for application and payment for the Rights Shares.

The refund will be credited directly into your bank account(s) from which payment of your subscription monies were made. Kindly take note of the terms and conditions as stated in Section 10.4.4(ii) of this Abridged Prospectus and the required consent in making the application via NRS.

If the crediting of the refund into your bank account(s) (as provided by you in the Rights Shares Subscription File) from which payment of your subscription monies were made is unsuccessful, the refund will then be made via cheque(s) which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

- (l) Upon crediting of the Rights Shares allotted to you into your CDS account(s), you will also receive an electronic confirmation of the crediting from Bursa Depository.
- (m) You should note that all applications made for the Rights Shares submitted under NRS will be irrevocable upon submission of the Rights Shares Subscription File to Bursa Depository and cannot be subsequently withdrawn.

(ii) Terms and Conditions for applications via NRS

The application via NRS shall be made on, and subject to, the terms of this Abridged Prospectus, Bursa Depository's terms and conditions for NRS and Bursa Depository's User Guide for NRS as well as the terms and conditions appearing herein:-

- (a) For purposes of making the electronic refund, you hereby give consent in accordance with the relevant laws of Malaysia, including Section 134 of the Financial Services Act, 2013 and Section 45(1)(a) of the SICDA, to the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant financial institution, their respective agents and any third party involved in facilitating the payment of refunds to you as the case may be, of information pertaining to yourself and your account with the relevant financial institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the making of refunds or for any other purpose in connection with such payments. You will be required to provide confirmation of your consent in the manner prescribed in Bursa Depository's terms and conditions for NRS.
- (b) You agree and undertake to subscribe for or purchase and to accept the number of Rights Shares applied for as stated on your Rights Shares Subscription File in respect of your application via NRS. Your application shall signify, and shall be treated as, your acceptance of the number of Rights Shares that may be allotted to you.
- (c) You acknowledge that by completing and submitting the Rights Shares Subscription File to Bursa Depository, you, if successful, request and authorise our Company to credit the Rights Shares allotted to you into the respective CDS Account(s) as indicated in the Rights Shares Subscription File.
- (d) You acknowledge that your application via NRS is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the relevant financial institution or Bursa Depository, and irrevocably agree that if:-
 - (i) our Company or our Share Registrar or Bursa Depository does not receive your application via NRS; or

- (ii) the data relating to your application via NRS is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made your application and you shall not make any claim whatsoever against our Company, Bursa Depository, our Share Registrar or the relevant financial institution for the Rights Shares applied for or for any compensation, loss or damage relating to the application for the Rights Shares.

- (e) By completing and submitting the Rights Shares Subscription File to Bursa Depository, you agree that:-
 - (i) In consideration of our Company agreeing to allow and accept your application for the Rights Shares via the NRS facility established by Bursa Depository, your application via NRS is irrevocable and cannot be subsequently withdrawn;
 - (ii) Our Company, the relevant financial institutions, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your application via NRS due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;
 - (iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the electronic notification of allotment in respect of the Rights Shares issued is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Shares; and
 - (iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation to with the contract between the parties and/ or the application via NRS and/ or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (f) Our Share Registrar and Bursa Depository, on the authority of our Company, reserve the right to reject applications which do not conform to these instructions.

10.5 Procedure for sale or transfer of the Provisional Rights Shares

As the Provisional Rights Shares are prescribed securities, you may dispose or transfer all or part of your entitlement to the Provisional Rights Shares to one (1) or more person(s) through your stockbrokers without first having to request for a split of the Provisional Rights Shares standing to the credit of your CDS Account. To dispose or transfer all or part of your entitlement to the Provisional Rights Shares, you may sell such entitlement on the open market or transfer such entitlement to such persons as may be allowed pursuant to the Rules of Bursa Depository. If you have disposed or transferred only part of the Provisional Rights Shares, you may still accept the balance of the Provisional Rights Shares. Please refer to Section 10.4 of this Abridged Prospectus for the procedure for acceptance and payment.

In disposing or transferring all or part of your Provisional Rights Shares, you need not deliver any document including the RSF, to any stockbroker. However, you must ensure that there is sufficient Provisional Rights Shares standing to the credit of your CDS Account that are available for settlement of the sale or transfer.

10.6 Procedure for acceptance by renounee(s) and/ or transferee(s)

Renounee(s) and/ or transferee(s) who wish to accept the Provisional Rights Shares may obtain a copy of this Abridged Prospectus and RSF from our Share Registrar or at our Registered Office or from Bursa Securities' website at <http://www.bursamalaysia.com>.

As a renounee or transferee, the procedures for acceptance, payment, selling and transferring of the Provisional Rights Shares are the same as that applicable to the Entitled Shareholders as set out in Sections 10.4 and 10.5 of this Abridged Prospectus.

RENOUNEE(S) AND/ OR TRANSFEREE(S) ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND THE RSF.

10.7 Procedure for application of Excess Rights Shares

10.7.1 By way of RSF

If you are an Entitled Shareholder and/ or a renounee and/ or a transferee and/ or if you have purchased any Provisional Rights Shares, and wish to apply for additional Rights Shares in excess of your entitlement, you may do so by completing Part I(B) and II of the RSF. Send each completed and signed RSF with a **separate remittance** for the full amount payable on the Excess Rights Shares applied for to our Share Registrar so as to arrive not later than **5.00 p.m. on Friday, 24 July 2015**, being the last date and time for application and payment, or such later day and time as our Board may decide and announce, after consultation with the Joint Underwriters, not less than two (2) Market Days before the stipulated day and time.

The minimum number of Excess Rights Shares that can be applied for is one (1) Excess Rights Share. However, you should take note that a trading board lot comprises 100 WCT Shares.

Payment for the Excess Rights Shares applied for should be made in the same manner described in Section 10.4.1 of this Abridged Prospectus except that the Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia should be made payable to "**WCT EXCESS RIGHTS ISSUE ACCOUNT**", crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name and address in block letters and your CDS Account number. The payment must be made for the exact amount. Any excess or insufficient payment may be rejected at the absolute discretion of our Board. **Cheques or other modes of payment not prescribed here are not acceptable.**

It is the intention of our Board to allocate the Excess Rights Shares, if any, in a fair and equitable manner in the following priority:-

- i. Firstly, to minimise the incidence of odd lots;
- ii. Secondly, for allocation to Entitled Shareholders who have applied for the Excess Rights Shares, on a pro-rata basis and in board lot, calculated based on their respective shareholdings in our Company as at the Entitlement Date;

- iii. Thirdly, for allocation to Entitled Shareholders who have applied for the Excess Rights Shares, on a pro-rata basis and in board lot, calculated based on the quantum of Excess Rights Shares applied for; and
- iv. Finally, for allocation to renouncee(s) and/ or transferee(s) who have applied for the Excess Rights Shares, on a pro-rata basis and in board lot, calculated based on the quantum of Excess Rights Shares applied for.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares applied for under Part I(B) of the RSF in such manner as our Board deems fit and expedient and in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out in (i) to (iv) above is achieved. Our Board also reserves the right not to accept any Excess Rights Shares application, in full or in part, without assigning any reason.

You should note that all RSFs lodged with our Share Registrar will be irrevocable and cannot be subsequently withdrawn.

Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar. No acknowledgement of receipt of the RSF for the Excess Rights Shares application or the application monies will be issued by our Company or our Share Registrar.

Applications for Excess Rights Shares shall not be deemed to have been accepted by reason of the remittance being presented for payment.

Notification on the outcome of your application for the Excess Rights Shares will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:-

- (i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Excess Rights Shares; or
- (ii) unsuccessful/ partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the last day for application and payment for the Excess Rights Shares.

If you have provided your bank account information to Bursa Depository for purposes of cash dividend/ distribution, the refund will be credited directly into that bank account. For this purpose, you are required to provide your consent via the RSF in accordance with the relevant laws of Malaysia, including Section 134 of the Financial Services Act, 2013 and Section 45(1)(a) of the SICDA, to the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant financial institutions, their respective agents and any third party who may be involved in facilitating the payment of refund to you as the case may be, of information pertaining to yourself and your account with the relevant financial institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the making of refund or for any other purpose in connection with such payments.

If the crediting of the refund into that bank account (details of which has been provided to Bursa Depository) is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

10.7.2 By way of Electronic Application

If you are an individual who is an Entitled Shareholder and/ or a renounee and/ or a transferee and/ or if you have purchased any Provisional Rights Shares, and wish to apply for additional Rights Shares via Electronic Application in excess of your entitlement, you may do so by following the same steps as set out in Section 10.4.2 of this Abridged Prospectus save and except that you shall proceed with the option for Excess Rights Shares application and the amount payable to be directed to "**WCT EXCESS RIGHTS ISSUE ACCOUNT**" for the Excess Rights Shares applied.

The minimum number of Excess Rights Shares that can be applied for is one (1) Excess Rights Share. However, you should take note that a trading board lot comprises 100 WCT Shares.

It is the intention of our Board to allocate the Excess Rights Shares, if any, in a fair and equitable manner in the following priority:-

- i. Firstly, to minimise the incidence of odd lots;
- ii. Secondly, for allocation to Entitled Shareholders who have applied for the Excess Rights Shares, on a pro-rata basis and in board lot, calculated based on their respective shareholdings in our Company as at the Entitlement Date;
- iii. Thirdly, for allocation to Entitled Shareholders who have applied for the Excess Rights Shares, on a pro-rata basis and in board lot, calculated based on the quantum of Excess Rights Shares applied for; and
- iv. Finally, for allocation to renounee(s) and/ or transferee(s) who have applied for the Excess Rights Shares, on a pro-rata basis and in board lot, calculated based on the quantum of Excess Rights Shares applied for.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares applied for in such manner as it deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out in (i) to (iv) above is achieved. Our Board also reserves the right not to accept any Excess Rights Shares application, in full or in part, without assigning any reason.

The Electronic Application for Excess Rights Shares shall be made on, and subject to, the same terms and conditions appearing in Section 10.4.2 of this Abridged Prospectus, as well as the terms and conditions as stated below:-

- (i) You agree and undertake to subscribe for or purchase and to accept the number of Excess Rights Shares applied for as stated on the Transaction Record or any lesser number of Excess Rights Shares that may be allotted to you in respect of your Electronic Application. In the event that our Company decides to allot any lesser number of such Excess Rights Shares or not to allot any Excess Rights Shares to you, you agree to accept any such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the pre-designated keys (or buttons) on the ATM) of the number of Excess Rights Shares applied for shall signify, and shall be treated as, your acceptance of the number of Excess Rights Shares that may be allotted to you.
- (ii) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.
- (iii) Notification on the outcome of your application for the Excess Rights Shares will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:-
 - (a) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Excess Rights Shares; or
 - (b) unsuccessful/ partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the last day for application and payment for the Excess Rights Shares.

The refund will be credited directly into your bank account from which your Electronic Application was made. Kindly take note of the terms and conditions as stated in Section 10.4.2(iii) of this Abridged Prospectus and the required consent in making your Electronic Application.

If the crediting of the refund into your bank account from which your Electronic Application was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

10.7.3 By way of Internet Application

If you are an Entitled Shareholder and/ or a renounee and/ or a transferee and/ or if you have purchased any Provisional Rights Shares, and wish to apply for additional Rights Shares via Internet Application in excess of your entitlement, you may do so by following the same steps as set out in Section 10.4.3 of this Abridged Prospectus save and except that you shall proceed with the option for Excess Rights Shares application and the amount payable to be directed to "**WCT EXCESS RIGHTS ISSUE ACCOUNT**" for the Excess Rights Shares applied.

The minimum number of Excess Rights Shares that can be applied for is one (1) Excess Rights Share. However, you should take note that a trading board lot comprises 100 WCT Shares.

It is the intention of our Board to allocate the Excess Rights Shares, if any, in a fair and equitable manner in the following priority:-

- i. Firstly, to minimise the incidence of odd lots;
- ii. Secondly, for allocation to Entitled Shareholders who have applied for the Excess Rights Shares, on a pro-rata basis and in board lot, calculated based on their respective shareholdings in our Company as at the Entitlement Date;
- iii. Thirdly, for allocation to Entitled Shareholders who have applied for the Excess Rights Shares, on a pro-rata basis and in board lot, calculated based on the quantum of Excess Rights Shares applied for; and
- iv. Finally, for allocation to renounee(s) and/ or transferee(s) who have applied for the Excess Rights Shares, on a pro-rata basis and in board lot, calculated based on the quantum of Excess Rights Shares applied for.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares applied for in such manner as it deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out in (i) to (iv) above is achieved. Our Board also reserves the right not to accept any Excess Rights Shares application, in full or in part, without assigning any reason.

The Internet Application for Excess Rights Shares shall be made on, and subject to, the same terms and conditions appearing in Section 10.4.3 of this Abridged Prospectus, as well as the terms and conditions as stated below:-

- (i) You agree and undertake to subscribe for or purchase and to accept the number of Excess Rights Shares applied for as stated on the Confirmation Screen or any lesser number of Excess Rights Shares that may be allotted to you in respect of your Internet Application. In the event that our Company decides to allot any lesser number of such Excess Rights Shares or not to allot any Excess Rights Shares to you, you agree to accept any such decision as final. If your Internet Application is successful, your confirmation (by your action of clicking the designated hyperlink on the relevant screen of the website) of the number of Excess Rights Shares applied for shall signify, and shall be treated as, your acceptance of the number of Excess Rights Shares that may be allotted to you.
- (ii) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.
- (iii) Notification on the outcome of your application for the Excess Rights Shares will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:-
 - (a) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Excess Rights Shares; or
 - (b) unsuccessful/ partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the last day for application and payment for the Excess Rights Shares.

The refund will be credited directly into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made. Kindly take note of the terms and conditions as stated in Section 10.4.3(iv) of this Abridged Prospectus and the required consent in making your Internet Application.

If the crediting of the refund into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

10.7.4 By way of NRS

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository who is an Entitled Shareholder and/ or a renouncee and/ or a transferee and/ or if you have purchased any Provisional Rights Shares, and wish to apply for additional Rights Shares via NRS in excess of your entitlement, you may do so by following the same steps as set out in Section 10.4.4 of this Abridged Prospectus save and except for the amount payable to be directed to "**WCT EXCESS RIGHTS ISSUE ACCOUNT**" (**Bank Account No. 21418300048078 with RHB Bank Berhad**) for the Excess Rights Shares applied and also that you should complete the details for excess rights application at the designated fields for excess applications in the Rights Shares Subscription File.

The minimum number of Excess Rights Shares that can be applied for is one (1) Excess Rights Share. However, you should take note that a trading board lot comprises 100 WCT Shares.

It is the intention of our Board to allocate the Excess Rights Shares, if any, in a fair and equitable manner in the following priority:-

- i. Firstly, to minimise the incidence of odd lots;
- ii. Secondly, for allocation to Entitled Shareholders who have applied for the Excess Rights Shares, on a pro-rata basis and in board lot, calculated based on their respective shareholdings in our Company as at the Entitlement Date;
- iii. Thirdly, for allocation to Entitled Shareholders who have applied for the Excess Rights Shares, on a pro-rata basis and in board lot, calculated based on the quantum of Excess Rights Shares applied for; and
- iv. Finally, for allocation to renouncee(s) and/ or transferee(s) who have applied for the Excess Rights Shares, on a pro-rata basis and in board lot, calculated based on the quantum of Excess Rights Shares applied for.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares applied for in such manner as it deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out in (i) to (iv) above is achieved. Our Board also reserves the right not to accept any Excess Rights Shares application, in full or in part, without assigning any reason.

The Application for Excess Rights Shares via NRS shall be made on, and subject to, the same terms and conditions appearing in Section 10.4.4 of this Abridged Prospectus, Bursa Depository's terms and conditions for NRS and User Guide for NRS (which are made available to all Authorised Nominees who wish to register for NRS), as well as the terms and conditions as stated below:-

- i) You agree and undertake to subscribe for or purchase and to accept the number of Excess Rights Shares applied for as stated on the Right Shares Subscription File or any lesser number of Excess Rights Shares that may be allotted to you in respect of your application via NRS. In the event that our Company decides to allot any lesser number of such Excess Rights Shares or not to allot any Excess Rights Shares to you, you agree to accept any such decision as final. If your application via NRS is successful, your submission of the Rights Shares Subscription File to Bursa Depository shall signify, and shall be treated as, your acceptance of the number of Excess Rights Shares that may be allotted to you.
- (ii) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.
- (iii) Notification on the outcome of your application for the Rights Shares will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:-
 - (a) successful application – an electronic notification will be sent to you within eight (8) Market Days from the last day for application and payment for the Excess Rights Shares; or
 - (b) unsuccessful/ partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the last day for application and payment for the Excess Rights Shares.

The refund will be credited directly into your bank account(s) (as provided by you in the Rights Shares Subscription File) from which payment of your subscription monies were made. Kindly take note of the terms and conditions as stated in Section 10.4.4(ii) of this Abridged Prospectus and the required consent in making the application via NRS.

If the crediting of the refund into your bank account(s) from which payment of your subscription monies were made is unsuccessful, the refund will then be made via cheque(s) which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

10.8 Form of issuance

Bursa Securities has already prescribed our Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares are prescribed securities and as such, the SICDA and the Rules of Bursa Depository shall apply to the dealings in the Rights Shares.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. No physical share certificate shall be issued to you under the Rights Issue of Shares. Instead, the Rights Shares will be credited directly into your CDS Account.

The notices of allotment will be issued and forwarded to you by ordinary post at your own risk to the address shown in the Record of Depositors provided by Bursa Depository within eight (8) Market Days from the last date for acceptance and payment for the Rights Shares.

10.9 Laws of foreign jurisdiction

This Abridged Prospectus, and the accompanying NPA and RSF have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) for subscription of any foreign jurisdiction. The Rights Issue of Shares will not be made or offered for subscription in any foreign jurisdiction.

Accordingly, this Abridged Prospectus, and the accompanying NPA and RSF will not be sent to the Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) who do not have a registered address in Malaysia. However, such Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) may collect this Abridged Prospectus, and the accompanying NPA and RSF from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the aforesaid documents.

The Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) may accept or renounce or transfer (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue of Shares only to the extent that it would be lawful to do so.

RHBIB, other experts, our Company, our Directors and officers would not, in connection with the Rights Issue of Shares, be in breach of the laws of any jurisdiction to which the Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) are or may be subject. Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject to. RHBIB, other experts, our Company, our Directors and officers shall not accept any responsibility or liability whatsoever in the event that any acceptance or renunciation or transfer made by any Foreign Entitled Shareholders and/ or renounee(s) and/ or transferee(s) (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such jurisdiction.

The Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) will be responsible for payment of any issue, transfer or other taxes or other requisite payments due in such jurisdiction and we shall be entitled to be fully indemnified and held harmless by such Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) for any such issue, transfer or other taxes or other requisite payments. They will have no claims whatsoever against us and/ or RHBIB in respect of their rights and entitlements under the Rights Issue of Shares. Such Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue of Shares.

By signing the RSF, the Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) RHBIB, other experts, our Company, our Directors and officers that:-

- i. we would not, by acting on the acceptance or renunciation or transfer in connection with the Rights Issue of Shares, be in breach of the laws of any jurisdiction to which the Foreign Entitled Shareholders and/ or renounee(s) and/ or transferee(s) (if applicable) are or may be subject to;
- ii. they have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation or transfer of the Provisional Rights Shares;
- iii. they are not a nominee or agent of a person in respect of whom we would, by acting on the acceptance or renunciation or transfer of the Provisional Rights Shares, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- iv. they are aware that the Rights Shares can only be transferred, sold or otherwise disposed, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- v. they have respectively received a copy of this Abridged Prospectus and have had access to such financial and other information and have been afforded the opportunity to pose such questions to our representatives and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares; and
- vi. they have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares.

Persons receiving this Abridged Prospectus, the NPA and the RSF (including without limitation to custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any jurisdiction where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this Abridged Prospectus, the NPA and the RSF are received by any persons in such jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant jurisdiction in connection herewith.

Any person who does forward this Abridged Prospectus, the NPA and the RSF to any foreign jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and we reserve the right to reject a purported acceptance of the Rights Shares from any such application by Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) in any jurisdiction other than Malaysia.

We reserve the right, in our absolute discretion, to treat any acceptance of the Rights Shares as invalid if it believes that such acceptance may violate any applicable legal or regulatory requirements.

NOTWITHSTANDING ANYTHING HEREIN, THE FOREIGN ENTITLED SHAREHOLDERS AND ANY OTHER PERSON HAVING POSSESSION OF THIS ABRIDGED PROSPECTUS AND/ OR ITS ACCOMPANYING DOCUMENTS ARE ADVISED TO INFORM THEMSELVES OF AND TO OBSERVE ANY LEGAL REQUIREMENTS APPLICABLE TO THEM. NO PERSON IN ANY TERRITORY OUTSIDE OF MALAYSIA RECEIVING THIS ABRIDGED PROSPECTUS AND/ OR ITS ACCOMPANYING DOCUMENTS MAY TREAT THE SAME AS AN OFFER, INVITATION OR SOLICITATION TO SUBSCRIBE FOR OR ACQUIRE ANY RIGHTS SHARES UNLESS SUCH OFFER, INVITATION OR SOLICITATION COULD LAWFULLY BE MADE WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER REGULATORY OR LEGAL REQUIREMENTS ON SUCH TERRITORY.

11. TERMS AND CONDITIONS

The issuance of the Rights Shares pursuant to the Rights Issue of Shares is governed by the terms and conditions set out in this Abridged Prospectus, the NPA and the RSF enclosed herewith.

12. OTHER MATTER

Purely for the information of our Entitled Shareholders and/ or their renounee(s) and/ or transferee(s), the SC had on 26 May 2015 filed a Civil Suit against our Deputy Managing Director, namely Mr Goh Chin Liong ("GCL"), and had on 1 June 2015 served a writ of summons in respect thereof on GCL's solicitors, for alleged insider trading in the shares of WCT Berhad.

In the filings, SC alleged that GCL, who at the material time was the Deputy Managing Director of WCT Berhad, had communicated material non-public information, in breach of section 188(3) of the CMSA, to Leong Ah Chai ("Leong"). Leong had thereafter disposed 1,640,000 units of WCT Berhad shares between 2 January 2009 and 5 January 2009.

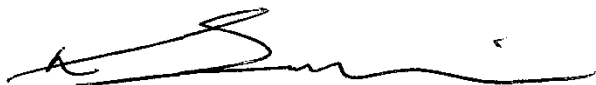
The SC further alleged that the material non-public information pertains to the cancellation of a contract for the proposed construction of the "Nad Al Sheba Dubai Racecourse" in the Emirate of Dubai, United Arab Emirates which was awarded to an unincorporated joint venture set up by WCT Berhad and Arabtec Construction L.L.C.. The announcement relating to the material information was made on 6 January 2009.

GCL has denied the allegations and is currently taking the necessary legal action to resolve the Civil Suit.

13. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of the Board of
WCT HOLDINGS BERHAD



DATU' CAPT. AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID
Independent Non-Executive Chairman

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT OUR EGM HELD ON 19 MAY 2015

**WCT Holdings Berhad
(Company No. 930464-M)
Incorporated in Malaysia**

EXTRACT OF MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY HELD AT BALLROOM 1, GROUND FLOOR, PREMIÈRE HOTEL, BANDAR BUKIT TINGGI 1/KS6 JALAN LANGAT, 41200 KLANG, SELANGOR DARUL EHSAN ON TUESDAY, 19 MAY 2015 AT 11.50 A.M.

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 143,226,391 NEW ORDINARY SHARES OF RM0.50 EACH IN WCT ("WCT SHARE(S)" OR "SHARE(S)") ("RIGHTS SHARE(S)") ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY 10 EXISTING WCT SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE OF SHARES")

"**THAT** subject to the passing of Ordinary Resolution 2 and the approvals of all relevant authorities or parties being obtained, where required, approval be and is hereby given to the Board of Directors of the Company ("Board") to provisionally allot and issue by way of a renounceable rights issue of up to 143,226,391 Rights Shares at an issue price of RM1.00 per Rights Share on the basis of one (1) Rights Share for every 10 existing WCT Shares held by the entitled shareholders whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced later by the Board;

THAT fractional entitlements of the Rights Shares arising from the Proposed Rights Issue of Shares, if any, shall be dealt with in such manner as the Board shall in their absolute discretion deem fit and expedient, and to be in the best interest of the Company;

THAT any Rights Shares which are not validly taken up or which are not allotted for any reason whatsoever shall first be made available for excess applications in such manner as the Board shall determine at its discretion;

THAT the proceeds of the Proposed Rights Issue of Shares be utilised for the purposes as set out in the circular to shareholders of the Company dated 30 April 2015 ("Circular"), and the Board be authorised with full powers to vary the manner and/ or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/ or expedient, subject to the approvals of the relevant authorities, where required;

THAT the Rights Shares will upon allotment and issuance, rank *pari passu* in all respects with the existing WCT Shares, save and except that the Rights Shares will not be entitled to any dividends, rights, allotments and/ or other forms of distribution that may be declared, made or paid prior to the relevant date of allotment and issuance of the said Rights Shares;

THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Rights Issue of Shares with full power to assent to any conditions, variations, modifications, termination and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps to enter into all such agreement, arrangement, undertaking, indemnities, transfer, assignment and guarantee with any party or parties and to do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue of Shares;

AND THAT this resolution constitutes a specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all Rights Shares to be issued pursuant to or in connection with the Proposed Rights Issue of Shares have been duly allotted and issued in accordance with the terms of the Proposed Rights Issue of Shares."

ORDINARY RESOLUTION 2

PROPOSED BONUS ISSUE OF UP TO 315,098,061 NEW WARRANTS IN WCT ("WARRANT(S) E") ON THE BASIS OF ONE (1) FREE WARRANT E FOR EVERY FIVE (5) EXISTING WCT SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER, AFTER THE COMPLETION OF THE PROPOSED RIGHTS ISSUE OF SHARES ("PROPOSED BONUS ISSUE OF WARRANTS")

"**THAT** subject to the passing of Ordinary Resolution 1 and the approvals of all relevant authorities or parties being obtained, where required, the Board be and is hereby authorised to issue up to 315,098,061 free warrants E with an exercise price of RM2.08 per Warrant E to the shareholders of the Company whose names appear on the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced later by the Board, on the basis of one (1) free Warrant E for every five (5) existing WCT Shares held.

THAT the Board be and is hereby authorised to enter into and execute the deed poll constituting the Warrants E ("Deed Poll") and with full powers to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required by the relevant authorities or deemed necessary by the Board, and with full powers for the Board to implement, finalise and give effect to the aforesaid Deed Poll and that the Common Seal of the Company be affixed to the Deed Poll in accordance with the Articles of Association of the Company;

THAT the Board be and is hereby authorised to allot and issue such appropriate number of Warrants E in accordance with the provisions of the Deed Poll, including any additional Warrants E as may be required or permitted to be issued as a consequence of the adjustments in accordance with the provisions of the Deed Poll and to adjust from time to time the exercise price and/ or number of the Warrants E to which the holder(s) of the Warrants E are entitled to be issued as a consequence of the adjustments under the provisions of Deed Poll;

THAT the Board be and is hereby authorised to issue and allot such appropriate number of new WCT Shares credited as fully paid-up, arising from the exercise of the Warrants E by the holders of the Warrants E of their rights in accordance with the provisions of the Deed Poll;

THAT the Board be and is hereby authorised to deal with any fractional entitlements of the Warrants E that may arise from the Proposed Bonus Issue of Warrants, if any, in such manner at its absolute discretion as the Board may deem fit and expedient and in the best interest of the Company;

THAT the new WCT Shares to be issued pursuant to the exercise of the Warrants E shall upon allotment and issuance, rank *pari passu* in all aspects with the existing WCT Shares, save and except that the new WCT Shares shall not be entitled to any distribution that may be declared, made or paid for which the entitlement date for the said distribution precedes the date of allotment and issuance of the new WCT Shares arising from the exercise of the Warrants E;

THAT the proceeds arising from the exercise of the Warrants E, if any, be utilised for the purposes set out in the Circular, and the Board be authorised with full power to vary the manner and/ or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/ or expedient, subject to the approval of the relevant authorities, where required;

THAT the Board be and is hereby authorised to take all such necessary steps to give effect to the Proposed Bonus Issue of Warrants with full powers to assent to any conditions, variations, modifications, termination and/ or amendments in any manner as may be required by the relevant authorities or deemed necessary by the Board, and to take all steps and to do all such acts and matters as the Board may consider necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue of Warrants.

AND THAT this resolution constitutes a specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all Warrants E, additional Warrants E (if any) and new WCT Shares to be issued pursuant to or in connection with the Proposed Bonus Issue of Warrants have been duly allotted and issued in accordance with the terms of the Proposed Bonus Issue of Warrants."

Certified True Copy,

A handwritten signature in black ink, appearing to be 'LOH CHEE MUN', written over a horizontal line.

LOH CHEE MUN
Company Secretary
Date: 26 May 2015

INFORMATION ON OUR COMPANY

1. HISTORY AND PRINCIPAL ACTIVITIES

Our Company was incorporated in Malaysia on 21 January 2011 under the Act as a private limited liability company under the name WCT Holdings Sdn Bhd. We were subsequently converted into a public limited liability company on 22 November 2012 and changed our name to WCT Holdings Berhad.

Pursuant to an internal reorganisation exercise which was completed on 8 July 2013, the listing status of WCT Berhad had been transferred to our Company and WCT Berhad had become a wholly-owned subsidiary of our Company. On the same day, our Company was admitted to the Official List of Bursa Securities and its securities were also listed on the Main Market of Bursa Securities.

We are principally engaged in investment holding. Our subsidiary companies are principally involved in engineering and construction, property development and property investment and management. Further details on the principal activities of our subsidiary companies are set out in Section 5 of this Appendix II.

2. SHARE CAPITAL

As at the LPD, our authorised and issued and paid-up share capital are set out below:-

	No. of Shares	Par value RM	Total RM
Authorised	2,000,000,000	0.50	1,000,000,000
Issued and paid-up	1,092,552,364 ^{*1}	0.50	546,276,182

Note:-

^{*1} Including 17,739,870 treasury shares

In addition, as at the LPD, our Company also has a total of 156,986,399 outstanding Warrants C, 163,631,152 outstanding Warrants D and 19,094,000 unexercised ESOS Options.

The details of the changes in our authorised share capital for the past three (3) years preceding the LPD are set out below:-

Date	No. of Shares created	Par Value RM	Description	Cumulative authorised share capital RM
19 November 2012	-	0.50	Share split involving the subdivision of each of existing ordinary share of RM1.00 each in WCT into two (2) ordinary shares of RM0.50 each in WCT	100,000
23 May 2013	1,999,800,000	0.50	Increase in authorised share capital	1,000,000,000

The details of the changes in our issued and paid-up share capital for the past three (3) years preceding the LPD are set out below:-

Date of allotment	No. of Shares allotted	Par value RM	Consideration/ Type of issue	Cumulative issued and paid-up share capital RM
01.07.2013	1,092,181,112	0.50	Securities exchange	546,090,558.00
05.09.2013	14,000	0.50	Exercise of Warrants C	546,097,558.00
06.09.2013	134,686	0.50	Exercise of Warrants D	546,164,901.00
13.09.2013	7,420	0.50	Exercise of Warrants D	546,168,611.00
24.10.2013	800	0.50	Exercise of Warrants C	546,169,011.00
25.10.2013	800	0.50	Exercise of Warrants D	546,169,411.00
29.10.2013	93	0.50	Exercise of Warrants D	546,169,457.50
14.11.2013	119,000	0.50	Exercise of ESOS Options	546,228,957.50
12.12.2013	5,000	0.50	Exercise of ESOS Options	546,231,457.50
21.01.2014	720	0.50	Exercise of Warrants D	546,231,817.50
10.04.2014	1,000	0.50	Exercise of ESOS Options	546,232,317.50
08.05.2014	13,152	0.50	Exercise of Warrants C	546,238,893.50
12.05.2014	6,000	0.50	Exercise of ESOS Options	546,241,893.50
15.05.2014	21	0.50	Exercise of Warrants D	546,241,904.00
13.08.2014	58,000	0.50	Exercise of ESOS Options	546,270,904.00
08.09.2014	1,056	0.50	Exercise of Warrants D	546,271,432.00
10.09.2014	1,500	0.50	Exercise of Warrants D	546,272,182.00
13.11.2014	8,000	0.50	Exercise of ESOS Options	546,276,182.00

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3. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The shareholdings of our substantial shareholders as at the LPD and after the Rights Issue of Shares (assuming all the substantial shareholders of our Company fully subscribe for their entitlements under the Rights Issue of Shares) are set out below:-

Minimum Scenario

Substantial shareholders	Shareholdings as at the LPD		After the Rights Issue of Shares ¹	
	Direct No. of Shares	Indirect No. of Shares	Direct No. of Shares	Indirect No. of Shares
Taing Kim Hwa	2,416,597	209,953,812 ²	2,658,256	230,949,193 ²
Wong Sewe Wing	397,982	209,953,812 ²	437,780	230,949,193 ²
WCT Capital Sdn Bhd	209,953,812	-	230,949,193	-
Lembaga Tabung Haji	109,265,582	-	120,192,140	-
Employees Provident Fund Board ("EPF")	98,787,017	-	108,665,718	-
Kumpulan Wang Persaraan (Diperbadankan) ("KWAP")	75,917,122	-	83,508,834	-
AmanahRaya Trustees Berhad (<i>Skim Amanah Saham Bumiputera</i>) ("ASB")	77,265,000	-	84,991,500	-

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Substantial shareholders	II After I and the Bonus Issue of Warrants			III After II and assuming full exercise of the Warrants E			
	Direct- No. of Shares	% ¹	Indirect- No. of Shares	% ¹	Direct- No. of Shares	Indirect- No. of Shares	% ¹
Taing Kim Hwa	2,658,256	0.22	230,949,193 ²	19.53	3,189,907	277,139,031 ²	19.53
Wong Sewe Wing	437,780	0.04	230,949,193 ²	19.53	525,336	277,139,031 ²	19.53
WCT Capital Sdn Bhd	230,949,193	19.53	-	-	277,139,031	-	-
Lembaga Tabung Haji	120,192,140	10.17	-	-	144,230,568	-	-
EPF	108,665,718	9.19	-	-	130,398,861	-	-
KWAP	83,508,834	7.06	-	-	100,210,600	-	-
ASB	84,991,500	7.19	-	-	101,989,800	-	-

Notes:-¹ Excluding 17,739,870 treasury shares² Deemed interested by virtue of his interest in WCT Capital Sdn Bhd pursuant to Section 6A of the Act

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Notes:-

- ¹ Excluding 17,739,870 treasury shares
- ² Deemed interested by virtue of his interest in WCT Capital Sdn Bhd pursuant to Section 6A of the Act
- ³ Based on his interest of 851,000 Warrants C, 1,115,649 Warrants D and 1,600,000 ESOS Options
- ⁴ Based on its interest of 42,328 Warrants C and 47,776,160 Warrants D

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4. DIRECTORS

The particulars of our Directors as at the LPD are set out below:-

Name	Address	Age	Nationality	Profession	Designation
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	Apartment 11-5-1 20 Trees, Jalan 203D Taman Melawati Indah 53100 Kuala Lumpur	65	Malaysian	Company Director	Independent Non-Executive Chairman
Taing Kim Hwa	10, Jalan Eksekutif U1/6 Seksyen U1 40000 Shah Alam Selangor Darul Ehsan	62	Malaysian	Company Director	Managing Director
Goh Chin Liong	3, Jalan 6/155A Bukit Jalil Golf Resort 57000 Kuala Lumpur	55	Malaysian	Company Director	Deputy Managing Director
Choe Kai Keong	6, Jalan 13/10B Seksyen 13 40100 Shah Alam Selangor Darul Ehsan	64	Malaysian	Company Director	Executive Director
Liang Kai Chong	25, Jalan Tanjung Sepat Taman Bukit Seputeh 58000 Kuala Lumpur	53	Malaysian	Company Director	Executive Director
Wong Yik Kae	2, Jalan BK6B/11 Bandar Kinrara 47180 Puchong Selangor Darul Ehsan	37	Malaysian	Company Director	Executive Director
Choo Tak Woh	7, Jalan PJU 1A/21A Ara Damansara 47301 Petaling Jaya Selangor Darul Ehsan	64	Malaysian	Company Director	Independent Non-Executive Director
Andrew Lim Cheong Seng	12A, Jalan SS 22A/4 Damansara Jaya 47400 Petaling Jaya Selangor Darul Ehsan	51	Malaysian	Company Director	Independent Non-Executive Director

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The shareholdings of our Directors as at the LPD and after the Rights Issue of Shares (assuming all the Directors of our Company fully subscribe for their entitlements under the Rights Issue of Shares) are set out below:-

Minimum Scenario

Directors	Shareholdings as at the LPD		After the Rights Issue of Shares	
	Direct No. of Shares	Indirect No. of Shares	Direct No. of Shares	Indirect No. of Shares
	% ¹	% ²	% ¹	% ²
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	946,875	21,715 ³	1,041,562	23,886 ³
	0.09	- ²	0.09	- ²
Taing Kim Hwa	2,416,597	209,953,812 ⁴	2,658,256	230,949,193 ⁴
	0.22	19.53	0.22	19.53
Goh Chin Liong	6,885,410	-	7,573,951	-
	0.64	-	0.64	-
Choe Kai Keong	3,178,220	-	3,496,042	-
	0.30	-	0.30	-
Liang Kai Chong	3,685,442	236,363 ³	4,053,986	259,999 ³
	0.34	0.02	0.34	0.02
Wong Yik Kae	138,661	-	152,527	-
	0.01	-	0.01	-
Choo Tak Woh	34,845	215,209 ³	38,329	236,729 ³
	- ²	0.02	- ²	0.02
Andrew Lim Cheong Seng	-	-	-	-
	-	-	-	-

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Directors	II After I and the Bonus Issue of Warrants			III After III and assuming full exercise of the Warrants E		
	Direct No. of Shares % ¹	Indirect No. of Shares % ²	Total No. of Shares %	Direct No. of Shares % ¹	Indirect No. of Shares % ²	Total No. of Shares %
Dato' Capt. Ahmad Sufian @ Gurnain bin Abdul Rashid	1,041,562 0.09	23,886 ³ - ²	1,065,448 0.09	1,249,874 0.09	28,663 ³ - ²	1,278,537 0.09
Taing Kim Hwa	2,658,256 0.22	230,949,193 ⁴ 19.53	233,607,449 19.53	3,189,907 0.22	277,139,031 ⁴ 19.53	280,328,938 19.53
Goh Chin Liong	7,573,951 0.64	- -	7,573,951 0.64	9,088,741 0.64	- -	9,088,741 0.64
Choe Kai Keong	3,496,042 0.30	- -	3,496,042 0.30	4,195,250 0.30	- -	4,195,250 0.30
Liang Kai Chong	4,053,986 0.34	259,999 ³ 0.02	4,313,985 0.34	4,864,783 0.34	311,998 ³ 0.02	5,176,781 0.34
Wong Yik Kae	152,527 0.01	- -	152,527 0.01	183,032 0.01	- -	183,032 0.01
Choo Tak Woh	38,329 - ²	236,729 ³ 0.02	275,058 0.02	45,994 - ²	284,074 ³ 0.02	330,068 0.02
Andrew Lim Cheong Seng	- -	- -	- -	- -	- -	- -

Notes:-¹ Excluding 17,739,870 treasury shares² Negligible³ Deemed interested through his spouse or children's direct interest in our Company⁴ Deemed interested by virtue of his interest in WCT Capital Sdn Bhd pursuant to Section 6A of the Act

Maximum Scenario

Directors	I Shareholdings as at the LPD				II Assuming all the existing treasury shares are resold in open market and full exercise of the Convertible Securities				After I and the Rights Issue of Shares			
	Direct No. of Shares	% ¹	Indirect No. of Shares	% ¹	Direct No. of Shares	%	Indirect No. of Shares	%	Direct No. of Shares	%	Indirect No. of Shares	%
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	946,875	0.09	21,715 ³	- ²	1,386,875	0.10	23,715 ³	- ²	1,525,562	0.10	26,086 ³	- ²
Taing Kim Hwa	2,416,597	0.22	209,953,812 ⁴	19.53	5,983,246	0.42	300,058,630 ⁴	20.95	6,581,570	0.42	330,064,493 ⁴	20.95
Goh Chin Liong	6,885,410	0.64	-	-	10,784,017	0.75	-	-	11,862,418	0.75	-	-
Choe Kai Keong	3,178,220	0.30	-	-	5,195,020	0.36	-	-	5,714,522	0.36	-	-
Liang Kai Chong	3,685,442	0.34	236,363 ³	0.02	5,320,067	0.37	317,762 ³	0.02	5,852,073	0.37	349,538 ³	0.02
Wong Yik Kae	138,661	0.01	-	-	334,462	0.02	40,000 ³	- ²	367,908	0.02	44,000 ³	- ²
Choo Tak Woh	34,845	- ²	215,209 ³	0.02	94,845	0.01	269,832 ³	0.02	104,329	0.01	296,815 ³	0.02
Andrew Lim Cheong Seng	-	-	-	-	43,000	- ²	-	-	47,300	- ²	-	-

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Directors	III After II and the Bonus Issue of Warrants			IV After III and assuming full exercise of the Warrants E		
	Direct	Indirect	%	Direct	Indirect	%
	No. of Shares	No. of Shares	%	No. of Shares	No. of Shares	%
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	1,525,562	26,086 ³	0.10	1,830,674	31,303 ³	0.10
Taing Kim Hwa	6,581,570	330,064,493 ⁴	0.42	7,897,884	396,077,391 ⁴	0.42
Goh Chin Liong	11,862,418	-	0.75	14,234,901	-	0.75
Choe Kai Keong	5,714,522	-	0.36	6,857,426	-	0.36
Liang Kai Chong	5,852,073	349,538 ³	0.37	7,022,487	419,445 ³	0.37
Wong Yik Kae	367,908	44,000 ³	0.02	441,489	52,800 ³	0.02
Choo Tak Woh	104,329	296,815 ³	0.01	125,194	356,178 ³	0.01
Andrew Lim Cheong Seng	47,300	-	0.02	56,760	-	0.02

Notes:-

¹ Excluding 17,739,870 treasury shares

² Negligible

³ Deemed interested through his spouse or children's direct interest in our Company

⁴ Deemed interested by virtue of his interest in WCT Capital Sdn Bhd pursuant to Section 6A of the Act

5. SUBSIDIARY, ASSOCIATE COMPANIES AND JOINTLY CONTROLLED ENTITIES

As at the LPD, our subsidiary companies are set out below:-

Name of company	Date and place of incorporation	Issued and paid-up share capital (RM unless otherwise stated)	Effective equity interest %	Principal activities
WCT Berhad	14 January 1981/ Malaysia	546,090,556	100	Civil engineering works specialising in earthworks, construction of highway and building and related infrastructure works, investment and property holding, provision of management services to the subsidiaries and trading in properties
WCT Land Sdn Bhd	28 November 1994/ Malaysia	295,948,630	100	Investment holding
Held by WCT Berhad				
WCT Construction Sdn Bhd	28 May 1985/ Malaysia	1,200,004	100	Civil engineering works specialising in earthworks, highway construction and related infrastructure works
WCT Overseas Sdn Bhd	13 October 1997/ Malaysia	2	100	Investment holding
WCT Equity Sdn Bhd	25 March 1997/ Malaysia	2	100	Dormant
WCT Plantations Sdn Bhd	5 January 1999/ Malaysia	2	100	Dormant
WCT Green Sdn Bhd	17 January 2011/ Malaysia	2	100	Dormant
WCT Group Sdn Bhd	17 January 2011/ Malaysia	2	100	Dormant
WCT (Bahrain) W.L.L.	6 March 2005/ Kingdom of Bahrain	Bahraini Dinar("BD") 20,000	100	Provision of project management services
Cebarco-WCT W.L.L.	11 November 2002/ Kingdom of Bahrain	BD250,000	50 ^{*1}	Construction works
WCT Engineering Vietnam Company Limited	3 October 2007/ Vietnam	United States Dollar ("USD") 300,000	100	Dormant

Name of company	Date and place of incorporation	Issued and paid-up share capital (RM unless otherwise stated)	Effective equity interest %	Principal activities
WCT (S) Pte Ltd	28 February 2008/ Singapore	USD1	100	Investment holding
Allied WCT L.L.C.	8 March 2008/ Sultanate of Oman	Omani Riyal ("OR") 250,000	70	Dormant
WCT Oman Roads L.L.C.	30 January 2013/ Sultanate of Oman	OR150,000	60	Dormant
Held by WCT (S) Pte Ltd				
WCT-DPN Company Limited	24 December 2011/ Vietnam	USD 25,151,580	70	Development and management
Held by WCT Construction Sdn Bhd				
WCT Machinery Sdn Bhd	9 December 1996/ Malaysia	10,000,000	100	Hiring and repair of machineries
WCT Products Sdn Bhd	25 March 1996/ Malaysia	1,000,000	100	Trading of building materials
Intraxis Engineering Sdn Bhd	14 April 2003/ Malaysia	300,000	60	Civil works for Bakun Hydroelectric Project
Held by WCT Land Sdn Bhd				
Gemilang Waras Sdn Bhd	20 October 1999/ Malaysia	20,000,000	100	Property development
WCT Properties Sdn Bhd	18 May 1994/ Malaysia	2	100	Property investment and trading in properties
Gabungan Efektif Sdn Bhd	22 August 2002/ Malaysia	15,000,000	100	Property development
Labur Bina Sdn Bhd	13 January 1995/ Malaysia	5,000,000	100	Property development
WCT Land Resources Sdn Bhd	12 September 2005/ Malaysia	2	100	Investment holding
Camellia Tropicana Sdn Bhd	11 October 2005/ Malaysia	250,000	100	Property development
Atlanta Villa Sdn Bhd	13 October 2009/ Malaysia	250,000	100	Property development

Name of company	Date and place of incorporation	Issued and paid-up share capital (RM unless otherwise stated)	Effective equity interest %	Principal activities
WCT Hotel & Facilities Management Sdn Bhd	27 June 2006/ Malaysia	2	100	Property management
WCT Property Management Sdn Bhd	8 February 2010/ Malaysia	100,000	100	Property management
Urban Courtyard Sdn Bhd	4 February 2010/ Malaysia	250,000	100	Property development
Platinum Meadow Sdn Bhd	10 October 2010/ Malaysia	250,000	100	Property development
WCT Premier Development Sdn Bhd	12 August 2010/ Malaysia	2	100	Investment holding
WCT Assets Sdn Bhd	17 January 2011/ Malaysia	2	100	Property development
WCT Realty Sdn Bhd	22 February 2011/ Malaysia	2	100	General trading, land and property investment and investment holding
Pioneer Acres Sdn Bhd	6 June 2011/ Malaysia	250,000	100	Property development
WCT Acres Sdn Bhd	18 August 2011/ Malaysia	5,000,000	100	Property development
Jubilant Courtyard Sdn Bhd	9 March 2011/ Malaysia	1,000,000	100	Property development
WCT Hartanah Jaya Sdn Bhd	12 October 2011/ Malaysia	35,000,000	100	Property development and investment
One Medini Sdn Bhd	11 June 2009/ Malaysia	5,000,000	100	Property investment at Medini, Iskandar Malaysia
WCT Pioneer Development Sdn Bhd	11 September 2013/ Malaysia	100,000	100	Property development
WCT Precious Development Sdn Bhd	27 September 2013/ Malaysia	2	100	Property development
WCT Phenomenon Development Sdn Bhd	18 October 2013/ Malaysia	2	100	Property development
WCT Malls Management Sdn Bhd	1 October 2014/ Malaysia	2	100	Dormant

Name of company	Date and place of incorporation	Issued and paid-up share capital (RM unless otherwise stated)	Effective equity interest %	Principal activities
WCT Land and Development (Australia) Pty Ltd	19 March 2015/ Australia	Australian Dollar 1	100	Dormant
Jelas Puri Sdn Bhd	17 March 2005/ Malaysia	260,000,000	70	Property investment, management and development
Segi Astana Sdn Bhd	1 October 2010/ Malaysia	106,060,000	70	To undertake the build-operate-transfer concession, to design, construct and complete an integrated complex at the new terminal ("KLIA 2 Integrated Complex") at Kuala Lumpur International Airport, Sepang, Selangor, Malaysia comprising a transportation hub, car park and commercial complex and any future expansion or modification in respect of the KLIA 2 Intergraded Complex.
Held by Labur Bina Sdn Bhd				
Labur Bina Management Sdn Bhd	26 March 1999/ Malaysia	2	100	Provision of maintenance and management services on developed property
Held by WCT Land Resources Sdn Bhd				
BBT Mall Sdn Bhd	21 September 2005/ Malaysia	2	100	Provision of building management in investment properties
BBT Hotel Sdn Bhd	21 July 2006/ Malaysia	500,000	100	Management and operation of hotel
Held by WCT Premier Development Sdn Bhd				
WCT OUG Development Sdn Bhd	7 April 1973/ Malaysia	1,850,000	100	Property investment, management and development
Held by WCT Overseas Sdn Bhd				
WCT (International) Private Limited	23 April 2001/ Republic of Mauritius	USD1	100	Investment holding
Held by WCT (International) Private Limited				
WCT (Offshore) Private Limited	16 May 2001/ Republic of Mauritius	USD2	100	Investment holding

Name of company	Date and place of incorporation	Issued and paid-up share capital (RM unless otherwise stated)	Effective equity interest %	Principal activities
Held by WCT (Offshore) Private Limited				
IWM Constructions Private Limited	26 July 2001/ India	Indian Rupee ("INR") 60,100,000	61.9	Engineering, procurement and construction
WCT Infrastructure (India) Private Limited	3 June 2003/ India	INR100,000	99.9	Investment holding

As at the LPD, our associate companies are set out below:-

Name of company	Date and place of incorporation	Issued and paid-up share capital RM	Effective equity interest %	Principal activities
Held by WCT Berhad				
Khalid Abdulrahim Group WCT W.L.L.	2 April 2003/ Kingdom of Bahrain	BD100,000	50	Construction works
Held by WCT (International) Private Limited				
Gamuda-WCT (Offshore) Private Limited and its subsidiary	30 October 2001/ Republic of Mauritius	USD 9,620,909	30	Investment holding: holding company to the concessionaire holder of an expressway
- Mapex Infrastructure Private Limited	8 February 2001/ India	INR 1,695,999,270	30	Highway concessionaire
Suria Holding (Offshore) Private Limited and its subsidiary	20 February 2002/ Republic of Mauritius	USD 13,909,096	30	Investment holding: holding company to the concessionaire holder of an expressway
- Emas Expressway Private Limited	15 March 2002/ India	INR 1,008,840,570	30	Highway concessionaire
Held by WCT (Offshore) Private Limited				
Gamuda-WCT (India) Private Limited	16 November 2001/ India	INR 1,611,613,170	30	Engineering, procurement and construction works

As at the LPD, our incorporated/ unincorporated joint operations are set out below:-

Name of joint operations	Country of operation	Issued and paid-up share capital RM	Effective equity interest %	Principal activities
<u>Incorporated</u>				
Held by WCT Berhad				
AES - WCT Contracting L.L.C.	25 February 2008/ Emirate of Dubai	United Arab Emirates Dirham 300,000	49	Road, bridges and dam contracting
<u>Unincorporated</u>				
Held by WCT Berhad				
Malaysia - China Hydro Joint Venture	Malaysia	NA	7.7	Construction work
Gamuda Berhad – WCT Engineering Berhad Joint Venture	Qatar	NA	49	Engineering and construction of a new highway from the town of Shahaniya to the existing Zekreet interchange near the Dukhan Industrial area in the state of Qatar
Sinohydro Corporation - Gamuda Berhad – WCT Engineering Berhad Joint Venture	Qatar	NA	49	Design and construction of the airfield facilities, tunnel and detention pond of the New Doha International Airport in the state of Qatar
AES - WCT Joint Venture	Emirate of Dubai	NA	50	Engineering and construction of infrastructure works
Arabtec Construction L.L.C. – WCT Engineering Joint Venture	Emirate of Dubai	NA	50	Construction work

Note:-

⁷¹ A subsidiary by virtue of Section 5(a)(i) of the Act

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6. PROFIT AND DIVIDEND RECORDS

The following table sets out a summary of our audited consolidated financial statements for the past three (3) financial years up to the FYE 31 December 2014 and the latest unaudited quarterly report of our Group for the three (3)-month FPE 31 March 2015:-

	<-----Audited----->			<-----Unaudited----->	
	<-----FYE 31 December----->			Three (3)-month FPE 31 March	
	2012	2013	2014	2014	2015
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	1,560,354	1,654,951	1,662,222	467,221	351,621
Cost of sales	(1,237,343)	(1,374,948)	(1,428,635)	(384,514)	(296,683)
Gross profit	323,011	280,003	233,587	82,707	54,938
Other operating income	244,627	140,439	60,946	5,472	21,608
Administration expenses	(71,533)	(74,513)	(72,845)	(16,884)	(14,937)
Other expenses	(28,306)	(43,256)	(27,383)	(4,067)	(2,343)
Profit from operations	467,779	302,673	194,305	67,228	59,267
Finance cost	(68,884)	(67,631)	(60,233)	(15,069)	(20,011)
Share of results of associates	16,795	12,124	8,393	2,364	2,137
Share of results of joint ventures	(746)	7,077	6,989	2,230	1,352
Profit before tax	414,944	254,243	149,454	56,753	42,745
Income tax expense	(69,241)	(64,492)	(28,483)	(16,205)	(9,449)
Profit for the year/ period	345,703	189,751	120,971	40,548	33,296
Other comprehensive income	(20,418)	9,110	7,094	1,194	9,999
Total comprehensive income for the financial year	325,285	198,861	128,065	41,742	43,295
Profit attributable to:					
Owners of our Company	358,861	197,548	122,918	40,097	33,214
Non-controlling interest	(13,158)	(7,797)	(1,947)	451	82
Net profit for the year	345,703	189,751	120,971	40,548	33,296
Weighted average number of shares in issue ('000)	944,123	1,073,406	1,085,208	1,092,464	1,076,179
Earnings before interest, taxation, depreciation and amortisation (RM'000)	515,545	356,120	232,802	63,385	67,911
Gross profit margin (%)	20.70	16.92	14.05	17.70	15.62
Profit margin (%)	22.16	11.47	7.28	8.68	9.47
Earnings per Share (sen)					
- Basic	38.01	18.40	11.33	3.67	3.09
- Diluted	36.34	17.65	11.27	3.65	NA ²
Dividends paid (per Share) (sen)	3.75	10.00	1.25 ¹	-	-

Notes:-

*1 *Our Company had also distributed share dividend on the basis of one (1) treasury share for every 100 WCT Shares held in respect of the FYE 31 December 2014. A total of 10,809,930 treasury shares were distributed on 10 October 2014.*

Our shareholders had, at the annual general meeting held on 19 May 2015, approved the final single tier dividend comprising:-

- i. Cash dividend of 1.00 sen per WCT Share; and*
- ii. Share dividend via a distribution of treasury shares on the basis of one (1) treasury share for every 100 WCT Shares held, fractions of treasury shares to be disregarded.*

*2 *No diluted earnings per share is disclosed as all the potential ordinary shares are antidilutive*

Commentary on past performance:-**FYE 31 December 2012**

For the FYE 31 December 2012, our Group recorded revenue of RM1.56 billion, representing an increase of RM21.77 million or approximately 1.41% as compared to the revenue for the previous financial year. The increase in revenue was mainly attributable to higher sales of property under our Property Development Division and increase in rental income under our property investment division with the opening of Paradigm Mall in Petaling Jaya during the financial year under review.

Our Engineering and Construction Division, Property Development Division and Property Investment and Management Division contributed approximately RM1.01 billion (64.88%), RM462.98 million (29.67%) and RM84.99 million (5.45%) respectively to our Group revenue for the FYE 31 December 2012.

Our Group recorded a gross profit margin of 20.70% for the FYE 31 December 2012 compared to a gross profit margin of 19.30% in the previous financial year mainly attributable to profit recognition for higher profit margin projects under Engineering and Construction Division as well as completion of higher profit margin projects under Property Development Division.

Our Group recorded a PBT of RM414.94 million for the FYE 31 December 2012, as compared to a PBT of RM207.54 million for the previous financial year. The increase in PBT was mainly due to increase in other operating income arose from recognition of fair value gain on property held for investment, mainly Paradigm Mall in Petaling Jaya, during the financial year under review of RM210.94 million, as compared to the recognition of fair value gain on property held for investment of RM14.26 million during the previous financial year. The valuation was performed by professional independent valuers in accordance with International Valuation Standards. The increase in PBT was also in line with higher gross profit recorded for the FYE 31 December 2012.

FYE 31 December 2013

For the FYE 31 December 2013, our Group recorded revenue of RM1.65 billion, representing an increase of RM94.60 million or approximately 6.06% as compared to the revenue for the previous financial year. The increase in revenue was mainly attributable to higher level of construction activities for our on-going civil engineering and road constructions projects during the financial year under review.

Our Engineering and Construction Division, Property Development Division and Property Investment and Management Division contributed approximately RM1.17 billion (70.60%), RM425.07 million (25.68%) and RM61.49 million (3.72%) respectively to our Group revenue for the FYE 31 December 2013.

Our Group recorded a gross profit margin of 16.92% for the FYE 31 December 2013 compared to a gross profit margin of 20.70% in the previous financial year mainly attributable to lower contribution from certain higher margin construction projects as these projects were moving towards completion stage during the financial year under review.

Our Group recorded a PBT of RM254.24 million for the FYE 31 December 2013, as compared to a PBT of RM414.94 million for the previous financial year. The decrease in PBT was due to recognition of lower fair value gain on property held for investment of RM51.11 million for the FYE 31 December 2013, as compared to RM210.94 million for the FYE 31 December 2012. The fair value gain on property held for investment during the financial year under review was mainly from Bukit Tinggi Shopping Centre. The valuation was performed by professional independent valuers in accordance with International Valuation Standards. In addition, there was a provision for doubtful debts for (1) one construction project amounting to RM17.83 million had also resulted in lower PBT for the financial year under review. The decrease in PBT was also in line with lower gross profit recorded for the FYE 31 December 2013.

FYE 31 December 2014

For the FYE 31 December 2014, our Group recorded revenue of RM1.66 billion, representing an increase of RM7.27 million or approximately 0.44% as compared to the revenue for the previous financial year. The increase in revenue was mainly attributable to the increase in construction activities of the on-going projects under our Engineering and Construction Division.

Our Engineering and Construction Division, Property Development Division and Property Investment and Management Division contributed approximately RM1.21 billion (72.83%), RM391.72 million (23.57%) and RM59.92 million (3.60%) respectively to our Group revenue for the FYE 31 December 2014.

Our Group recorded a gross profit margin 14.05% for the FYE 31 December 2014 compared to a gross profit margin of 16.92% in the previous financial year which was mainly attributable to lower profit contribution from construction projects and property development project during the financial year under review as a result of competitive pricing.

Our Group recorded a PBT of RM149.45 million for the FYE 31 December 2014 as compared to a PBT of RM254.24 million for the FYE 31 December 2013. The decrease in PBT was due to recognition of lower fair value gain on property held for investment of RM9.95 million for the FYE 31 December 2014, as compared to RM51.11 million for the FYE 31 December 2013. The fair value gain on property held for investment during the financial year under review was mainly from Bukit Tinggi Shopping Centre. The valuation was performed by professional independent valuers in accordance with International Valuation Standards. The decrease in PBT was also in line with lower gross profit recorded for the FYE 31 December 2014.

Unaudited three (3)-month FPE 31 March 2015

For the three (3)-month FPE 31 March 2015, our Group recorded a revenue of RM351.62 million, representing a decrease of RM115.60 million or approximately 24.74% as compared to the corresponding period in the previous financial year. The decrease in revenue was mainly attributable to completion of several construction and property development projects.

Our Group recorded a gross profit margin 15.62% for the three (3)-month FPE 31 March 2015 compared to a gross profit margin of 17.70% for the corresponding period in the previous financial year which was mainly attributable to lower gross profit margin from overseas projects under Engineering and Construction Division which arose from additional works required due to change of design for the said overseas projects which resulted in higher overhead expenses.

Our Group recorded a PBT of RM42.75 million for the three (3)-month FPE 31 March 2015 as compared to a PBT of RM56.75 million for the corresponding period in the previous financial year was in line with lower gross profit recorded for the three (3)-month FPE 31 March 2015.

7. HISTORICAL PRICES

The monthly high and low transacted market prices of WCT Shares for the past 12 months from July 2014 to June 2015 are as follows:-

	High RM	Low RM
2014		
July	2.23	2.14
August	2.37	2.12
September	2.19	2.07
October	2.18	2.01
November	2.19	1.82
December	1.85	1.38
2015		
January	1.67	1.50
February	1.74	1.56
March	1.71	1.44
April	1.87	1.52
May	1.87	1.62
June	1.71	1.39

The last transacted price of WCT Shares on 13 March 2015, being the day prior to the date of announcement on the Corporate Exercises, was RM1.62.

The last transacted price of WCT Shares on 12 June 2015, being the LPD, was RM1.59.

The last transacted price of WCT Shares on 2 July 2015, being the day prior to the ex-date of the Rights Issue of Shares, was RM1.47.

(Source: Bloomberg)

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PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THERON



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REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION INCLUDED IN AN ABRIDGED PROSPECTUS

(Prepared for inclusion in the abridged prospectus of WCT Holdings Berhad dated 7 July 2015 ("Abridged Prospectus"))

22 June 2015

The Board of Directors
WCT Holdings Berhad
No. 12, Jalan Majistret U1/26,
Seksyen U1, Lot 44,
Hicom-Glenmarie Industrial Park,
40150 Shah Alam,
Selangor Darul Ehsan

Dear Sirs,

**WCT HOLDINGS BERHAD ("WCT" or the "Company")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014 IN CONNECTION WITH THE FOLLOWING CORPORATE EXERCISES:**

- I. RENOUNCEABLE RIGHTS ISSUE OF UP TO 143,226,391 NEW ORDINARY SHARES OF RM0.50 EACH IN WCT ("WCT SHARE(S)") ("RIGHTS SHARE(S)") ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TEN (10) EXISTING WCT SHARES HELD ON AN ENTITLEMENT DATE ON 7 JULY 2015 ("RIGHTS ISSUE OF SHARES"); AND**
- II. BONUS ISSUE OF UP TO 315,098,061 NEW WARRANTS IN WCT ("WARRANT(S) E") ON THE BASIS OF ONE (1) FREE WARRANT E FOR EVERY FIVE (5) EXISTING WCT SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER AFTER THE COMPLETION OF THE RIGHTS ISSUE OF SHARES ("BONUS ISSUE OF WARRANTS")**

(COLLECTIVELY REFERRED TO AS "THE CORPORATE EXERCISES").

We have completed our assurance engagement to report on the compilation of Pro Forma Consolidated Statements of Financial Position of WCT and its subsidiaries (collectively referred to as the "Group") prepared by the Directors. The applicable criteria on the basis of which the Directors have compiled the Pro Forma Consolidated Statements of Financial Position are described in Appendix A.

The Pro Forma Consolidated Statements of Financial Position has been compiled by the Directors to illustrate the impact of the events or transactions set out in Appendix A on the Group's financial position as at 31 December 2014 as if these events or transactions had taken place as at 31 December 2014. As part of this process, information about the financial position has been extracted by the Directors from the financial statements for the year ended 31 December 2014, on which an audit report has been published.



The Directors' Responsibility for the Pro Forma Consolidated Statements of Financial Position

The Directors are responsible for compiling the Pro Forma Consolidated Statements of Financial Position on the basis of the applicable criteria.

Our responsibilities

Our responsibility is to express an opinion about whether the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material respects, by the Directors on the basis of the applicable criteria.

We conducted our engagement in accordance with Malaysian Approved Standard on Assurance Engagements, *ISAE 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Consolidated Statements of Financial Position on the basis of the applicable criteria.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position.

The purpose of the Pro Forma Consolidated Statements of Financial Position is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of Pro Forma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Pro Forma Consolidated Statements of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.



Our responsibilities (cont'd)

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the Pro Forma Consolidated Statements of Financial Position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.

We believe that the evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Pro Forma Consolidated Statement of Financial Position has been compiled, in all material respects, on the basis of the applicable criteria.

Other matters

This letter is issued for purpose of inclusion in the Abridged Prospectus, and should not be relied on for other purpose. Our work had been carried out in accordance with Malaysian Approved Standards on Assurance Engagements and accordingly should not be relied upon as if it had been carried out in accordance with standards and practices in other jurisdictions. Therefore, this letter is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than the Corporate Exercises described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this report in connection with any type of transaction, other than the Corporate Exercises.

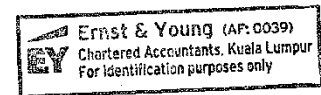
Yours faithfully

A handwritten signature in black ink, appearing to be 'E-Y', with a large, stylized flourish extending to the right.

Ernst & Young
AF: 0039
Chartered Accountants

A handwritten signature in black ink, appearing to be 'Low Khung Leong', with a large, stylized flourish extending to the right.

Low Khung Leong
No. 2697/01/17(J)
Chartered Accountant



**WCT HOLDINGS BERHAD ("WCT" or the "Company")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31
DECEMBER 2014**

1. Basis of preparation

The Pro Forma Consolidated Statements of Financial Position of WCT and its subsidiaries (the "Group") as at 31 December 2014 ("Pro Forma Consolidated Statements of Financial Position"), as illustrated in Appendix A, for which the directors of WCT (the "Directors") are solely responsible, have been prepared for illustrative purpose, in connection with the following corporate exercises:

- I. renounceable rights issue of up to 143,226,391 new ordinary shares of RM0.50 each in WCT ("WCT Share(s)" or "Share(s)") ("Rights Share(s)") on the basis of one (1) Rights Share for every ten (10) existing WCT Shares held on an entitlement date on 7 July 2015 ("Rights Issue of Shares"); and
- II. bonus issue of up to 315,098,061 new warrants in WCT ("Warrant(s) E") on the basis of one (1) free Warrant E for every five (5) existing WCT Shares held on an entitlement date to be determined later after the completion of the Rights Issue of Shares ("Bonus Issue of Warrants")

(collectively referred to as "the Corporate Exercises").

The Pro Forma Consolidated Statements of Financial Position have been compiled using the audited consolidated statements of financial position of the Group as at 31 December 2014, which are prepared in accordance with Financial Reporting Standards ("FRS"), and in a manner consistent with both the format of the financial statements and the accounting policies of the Group.

The Pro Forma Consolidated Statements of Financial Position have been prepared to illustrate the effect of the above Corporate Exercises incorporating the impact of the events or transactions set out below, had the Corporate Exercises been implemented and completed on 31 December 2014. Further, such financial information does not purport to predict the future financial position of the Group.

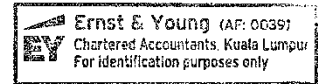


2. PRO FORMA I - CHANGES IN EQUITY OF WCT UP TO 12 JUNE 2015

Pro forma I reflects the changes in equity of WCT from 1 January 2015 to 12 June 2015 upon executing a share buy-back of 2,774,000 ordinary shares on an average price of RM1.55 per share from 1 January 2015 to 12 June 2015 for a total cost of RM4,286,000.

The effects of the adjustments on the ordinary paid-up shares capital of WCT are as follows:

	Number of ordinary share capital
Balance as at 31 December 2014	1,077,586,494
Share buy-back from 1 January 2015 to 12 June 2015	(2,774,000)
Balance as per Pro forma I	<u>1,074,812,494</u>



3. PRO FORMA II - THE ASSUMED CONVERSION OF CONVERTIBLE SECURITIES

Pro forma II incorporates the effect of Pro forma I and the following:

Minimum Scenario

The minimum scenario assumes that none of the Convertible Securities (as defined below) in WCT are converted in ordinary shares. It is also assumed that none of the remaining 17,739,870 treasury shares are disposed or distributed back to the shareholders.

Maximum Scenario

- (a) All of the remaining 17,739,870 treasury shares are disposed in the open market at their respective acquisition price;
- (b) All of the following Convertible Securities are converted into new WCT Shares as follows:
 - (i) a total of 156,986,399 outstanding warrants 2013/2016 ("Warrant(s) C") which was constituted by the deed poll dated 1 July 2013 at an exercise price of RM2.04 per new WCT Share;
 - (ii) a total of 163,631,152 outstanding warrants 2013/2017 ("Warrant(s) D") which was constituted by the deed poll dated 1 July 2013 at an exercise price of RM2.25 per new WCT Share; and
 - (iii) a total of 19,094,000 unexercised options granted under the Company's employees share option scheme 2013/2023 ("ESOS Scheme") ("ESOS Option(s)") which was implemented on 19 July 2013 at an average exercise price of RM2.10 per new WCT Share;

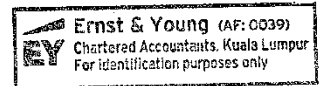
(collectively referred to as "Convertible Securities")

have been exercised into new WCT Shares.

The market price of WCT shares at close of business on 12 June 2015 was RM1.59 per share. Based on this current market price, it is unlikely that the:

- (i) Convertible Securities will be exercised and converted to ordinary shares as the exercise prices of the instruments as shown above are above the current market price; and
- (ii) Treasury shares are to be disposed at their acquisition price.

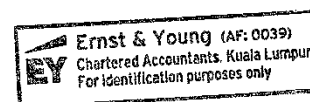
The Pro Forma Consolidated Statement of Financial Position under the maximum scenario is prepared solely to illustrate the effects on the total number of share capital of WCT should these instruments be exercised and converted.



3. PRO FORMA II - THE ASSUMED CONVERSION OF CONVERTIBLE SECURITIES (CONT'D.)

The effects of the adjustments are summarised as follows:

	Number of ordinary share capital		Issued and paid up capital	
	Minimum Scenario	Maximum Scenario	Minimum Scenario RM'000	Maximum Scenario RM'000
Share capital				
Balance as per Pro forma I	1,092,552,364	1,092,552,364	546,276	546,276
Add:				
Exercise of Warrant C	-	156,986,399	-	78,493
Exercise of Warrant D	-	163,631,152	-	81,816
Exercise of ESOS	-	19,094,000	-	9,547
Balance as per Pro forma II	1,092,552,364	1,432,263,915	546,276	716,132
Treasury shares				
Balance as per Pro forma I	17,739,870	17,739,870	31,552	31,552
Disposal of treasury shares	-	(17,739,870)	-	(31,552)
Balance as per Pro forma II	17,739,870	-	31,552	-
Number of ordinary share capital, net of treasury shares	1,074,812,494	1,432,263,915		



3. PRO FORMA II - THE ASSUMED CONVERSION OF CONVERTIBLE SECURITIES (CONT'D.)

Reserves

	Minimum Scenario RM'000	Maximum Scenario RM'000
Balance as per Pro forma I	(458,781)	(458,781)
Reversal of Warrant C and Warrant D reserves	-	(53,023)
Reversal of ESOS reserve	-	(5,169)
Balance as per Pro forma II	(458,781)	(516,973)

Share Premium

	Minimum Scenario RM'000	Maximum Scenario RM'000
Balance as per Pro forma I	2,174,151	2,174,151
Exercise of Warrant C and Warrant D	-	581,136
Exercise of ESOS	-	35,668
Balance as per Pro forma II	2,174,151	2,790,955

Treasury shares

	Minimum Scenario RM'000	Maximum Scenario RM'000
Balance as per Pro forma I	31,552	31,552
Disposal of treasury shares	-	(31,552)
Balance as per Pro forma II	31,552	-

Cash and bank balances

	Minimum Scenario RM'000	Maximum Scenario RM'000
Balance as per Pro forma I	946,555	946,555
Exercise of Warrant C and Warrant D	-	688,422
Exercise of ESOS	-	40,046
Proceeds from disposal of treasury shares	-	31,552
Balance as per Pro forma II	946,555	1,706,575



4. PRO FORMA III - THE RIGHTS ISSUE OF SHARES AND BONUS ISSUE OF WARRANTS

Pro forma III incorporates the effect of Pro forma II and Rights Issue of Shares and Bonus Issue of Warrants.

The Rights Issue of Share entails an issuance of Rights Shares on a renounceable basis of one (1) Rights Share for every ten (10) existing WCT Shares held by the shareholders of WCT whose names appear in the Record of Depositors of the Company as at the entitlement date at 7 July 2015("Entitled Date I").

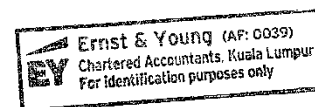
The effect of the adjustments on the ordinary shares of the Company is as follows:

	Number of ordinary share capital	
	Minimum Scenario	Maximum Scenario
Balance as per Pro forma II	1,074,812,494	1,432,263,915
Rights issue of shares on the basis of 1 in every 10 existing ordinary shares	107,481,249	143,226,391
Balance as per Pro forma III	<u>1,182,293,743</u>	<u>1,575,490,306</u>

The Bonus Issue of Warrants will entail an issuance of Warrant E on the basis of one (1) Warrant E for every five (5) existing WCT Shares held by the shareholders of WCT whose names appear in the Record of Depositors of the Company as at the entitlement date to be determined later ("Entitled Date II") ("Entitled Shareholders") after the completion of the Rights Issue of Shares as follows:

	Minimum Units of shares	Maximum Units of shares
Ordinary share capital balance as per Pro forma II	1,182,293,743	1,575,490,306
Bonus Issue of Warrants on the basis of one (1) free Warrant E for every five (5) existing WCT Shares	<u>236,458,748</u>	<u>315,098,061</u>

The Bonus Issue of Warrants is not expected to raise any funds as the Warrant E will be issued for free to the Entitled Shareholders.



4. PRO FORMA III - THE RIGHTS ISSUE OF SHARES AND BONUS ISSUE OF WARRANTS (CONT'D.)

The estimated expenses for the Rights Issue of Shares and the Bonus Issue of Warrants amounts to approximately RM2,000,000 are included in the reserves.

The relative fair value and indicative fair value of Warrant E for maximum and minimum scenario are summarised as follow:

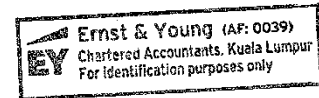
	Minimum scenario RM	Maximum scenario RM
Indicative fair value	0.2188	0.2418
Relative fair value	0.1114	0.1132

Fair value of warrant is estimated using the Binomial Option Pricing model based on the following assumptions:

	Minimum scenario	Maximum scenario
Time to maturity:	5 years	5 years
Underlying share price:	RM 1.45	RM 1.51
Exercise price:	RM 2.08	RM 2.08
Risk free rate:	3.52%	3.52%
Volatility:	31.82%	31.82%
Dividend Yield:	2.96%	2.96%

The effects of the Rights Issue of Shares and Bonus Issue of Warrants are summarised as follow:

	Number of ordinary share capital		Issued and paid up capital	
	Minimum Scenario	Maximum Scenario	Minimum Scenario RM'000	Maximum Scenario RM'000
Share capital				
Balance as per Pro forma II	1,074,812,494	1,432,263,915	546,276	716,132
Rights Issue of Shares	107,481,249	143,226,391	53,741	71,613
Balance as per Pro forma III	1,182,293,743	1,575,490,306	600,017	787,745



4. PRO FORMA III - THE RIGHTS ISSUE OF SHARES AND BONUS ISSUE OF WARRANTS (CONT'D.)

Reserves

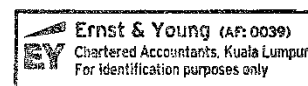
	Minimum Scenario RM'000	Maximum Scenario RM'000
Balance as per Pro forma II	(458,781)	(516,973)
Rights Issue of Shares based on relative fair value of Warrant E	11,973	16,213
Estimated expenses of Rights Issue of Shares and Bonus Issue of Warrants	(2,000)	(2,000)
Balance as per Pro forma III	(448,808)	(502,760)

Share Premium

	Minimum Scenario RM'000	Maximum Scenario RM'000
Balance as per Pro forma II	2,174,151	2,790,955
Rights Issue of Shares based on relative fair value of Warrant E	41,767	55,400
Balance as per Pro forma III	2,215,918	2,846,355

Cash and bank balances

	Minimum Scenario RM'000	Maximum Scenario RM'000
Balance as per Pro forma II	946,555	1,706,575
Proceeds from Rights Issue Issue of Shares and Bonus Issue of Warrants	107,481	143,226
Estimated expenses of Rights Issue of Shares and Bonus Issue of Warrants	(2,000)	(2,000)
Balance as per Pro forma III	1,052,036	1,847,801



5. PRO FORMA IV - THE EXERCISE OF WARRANT E

Pro forma IV reflects the effect of Pro forma III and the effect of the exercise of the entire Warrant E at an exercise price of RM2.08 per WCT Shares as follows:

	Pro forma IV	
	Minimum Scenario	Maximum Scenario
No. of WCT Shares issued arising from exercise of Warrants E at an exercise ratio 1:1 ('000 units)	236,459	315,098
Warrant E exercise price (RM per share)	2.08	2.08
Total proceeds from exercise of Warrant E (RM'000)	491,834	655,404
Reversal of Warrant E reserve	(11,973)	(16,213)
Share premium arising from exercise of Warrant E (RM'000)	385,578	514,068
Increase in WCT ordinary shares from exercise of Warrant E (RM'000)	118,229	157,549

The effect of the exercise of Warrant E is summarised below:

	Number of ordinary share capital	
	Minimum Scenario	Maximum Scenario
Balance as per Pro forma III	1,182,293,743	1,575,490,306
Exercise of Warrant E	236,458,874	315,098,061
Balance as per Pro forma IV	1,418,752,617	1,890,588,367

WCT Holdings Berhad
Pro Forma Consolidated Statement of Financial Position as at 31 December 2014

Appendix A

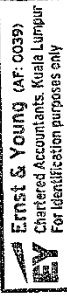
Minimum Scenario

The pro forma consolidated statement of financial position set out below are provided for illustrative purposes only to show the effects on the consolidated statement of financial position of WCT as at 31 December 2014 had the Corporate Exercises been effected on that date:

	Audited as at 31 December 2014					Pro forma			
	RM'000	Adjustment 1 RM'000	Adjustment 2 RM'000	Adjustment 3 RM'000	Adjustment 4 RM'000	Pro forma I RM'000	Pro forma II RM'000	Pro forma III RM'000	Pro forma IV RM'000
Non-current assets									
Property, plant and equipment	235,656	-	235,656	-	235,656	-	235,656	-	235,656
Land held for property development	991,553	-	991,553	-	991,553	-	991,553	-	991,553
Investment properties	737,813	-	737,813	-	737,813	-	737,813	-	737,813
Investments in associates	132,361	-	132,361	-	132,361	-	132,361	-	132,361
Investments in joint ventures	395,384	-	395,384	-	395,384	-	395,384	-	395,384
Trade receivables	653,928	-	653,928	-	653,928	-	653,928	-	653,928
Other receivables	300,215	-	300,215	-	300,215	-	300,215	-	300,215
Due from related parties	9,919	-	9,919	-	9,919	-	9,919	-	9,919
Deferred tax assets	21,445	-	21,445	-	21,445	-	21,445	-	21,445
	3,478,274	-	3,478,274	-	3,478,274	-	3,478,274	-	3,478,274
Current assets									
Property development costs	423,173	-	423,173	-	423,173	-	423,173	-	423,173
Inventories	90,710	-	90,710	-	90,710	-	90,710	-	90,710
Trade receivables	876,644	-	876,644	-	876,644	-	876,644	-	876,644
Other receivables	167,643	-	167,643	-	167,643	-	167,643	-	167,643
Due from related parties	214,999	-	214,999	-	214,999	-	214,999	-	214,999
Tax recoverable	24,730	-	24,730	-	24,730	-	24,730	-	24,730
Marketable securities	-	-	-	-	-	-	-	-	-
Cash and cash balances	950,841	(4,286)	946,555	105,481	1,052,036	491,834	1,052,036	491,834	1,543,870
	2,748,740	(4,286)	2,744,454	105,481	2,849,935	491,834	2,849,935	491,834	3,341,769
Current liabilities									
Trade payables	835,482	-	835,482	-	835,482	-	835,482	-	835,482
Other payables	207,529	-	207,529	-	207,529	-	207,529	-	207,529
Borrowings	584,112	-	584,112	-	584,112	-	584,112	-	584,112
Tax payable	13,200	-	13,200	-	13,200	-	13,200	-	13,200
	1,640,323	-	1,640,323	-	1,640,323	-	1,640,323	-	1,640,323
Net current assets	1,108,417	(4,286)	1,104,131	105,481	1,209,612	491,834	1,209,612	491,834	1,701,446
	4,586,691	(4,286)	4,582,405	105,481	4,687,886	491,834	4,687,886	491,834	5,179,720

WCT Holdings Berhad
Pro Forma Consolidated Statement of Financial Position as at 31 December 2014

Appendix A



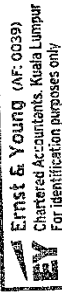
Minimum Scenario (cont'd.)

The pro forma consolidated statement of financial position set out below are provided for illustrative purposes only to show the effects on the consolidated statement of financial position of WCT as at 31 December 2014 had the Corporate Exercises been effected on that date:

	Audited as at 31 December 2014 RM'000	Adjustment 1 RM'000	Pro forma I RM'000	Adjustment 2 RM'000	Pro forma II RM'000	Adjustment 3 RM'000	Pro forma III RM'000	Adjustment 4 RM'000	Pro forma IV RM'000
Financed by:									
Equity attributable to equity holders of the Company									
Share capital	546,276	-	546,276	-	546,276	53,741	600,017	118,229	718,246
Share premium	2,174,151	-	2,174,151	-	2,174,151	41,767	2,215,918	385,578	2,601,496
Reserves	(458,781)	-	(458,781)	-	(458,781)	9,973	(448,808)	(11,973)	(460,781)
Treasury shares, at cost	(27,266)	(4,286)	(31,552)	-	(31,552)	-	(31,552)	-	(31,552)
Shareholders' equity/NA	2,234,380	(4,286)	2,230,094	-	2,230,094	105,481	2,335,575	491,834	2,827,409
Non-controlling interest	52,762	-	52,762	-	52,762	-	52,762	-	52,762
Total equity	2,287,142	(4,286)	2,282,856	-	2,282,856	105,481	2,388,337	491,834	2,880,171
Non-current liabilities									
Trade payables	89,379	-	89,379	-	89,379	-	89,379	-	89,379
Other payables	328,370	-	328,370	-	328,370	-	328,370	-	328,370
Borrowings	1,846,400	-	1,846,400	-	1,846,400	-	1,846,400	-	1,846,400
Deferred tax liabilities	35,400	-	35,400	-	35,400	-	35,400	-	35,400
	2,299,549	-	2,299,549	-	2,299,549	-	2,299,549	-	2,299,549
	4,586,691	(4,286)	4,582,405	-	4,582,405	105,481	4,687,886	491,834	5,179,720
Number of shares (unit'000):	A		1,074,812		1,074,812		1,182,294		1,418,752
Net assets (RM'000):	B		2,230,094		2,230,094		2,335,575		2,827,409
Net assets per share (RM):	C = B/A	2.07	2.07	2.07	2.07	1.98	1.98	1.99	1.99

WCT Holdings Berhad
Pro Forma Consolidated Statement of Financial Position as at 31 December 2014

Appendix A



Maximum scenario

The pro forma consolidated statement of financial position set out below are provided for illustrative purposes only to show the effects on the consolidated statement of financial position of WCT as at 31 December 2014 had the Corporate Exercises been effected on that date:

	Audited as at					Pro forma				
	31 December 2014	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4	Pro forma I	Pro forma II	Pro forma III	Adjustment 4	Pro forma IV
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets										
Property, plant and equipment	235,656	-	235,656	-	235,656	-	235,656	-	235,656	235,656
Land held for property development	991,553	-	991,553	-	991,553	-	991,553	-	991,553	991,553
Investment properties	737,813	-	737,813	-	737,813	-	737,813	-	737,813	737,813
Investments in associates	132,361	-	132,361	-	132,361	-	132,361	-	132,361	132,361
Investments in joint ventures	395,384	-	395,384	-	395,384	-	395,384	-	395,384	395,384
Trade receivables	653,928	-	653,928	-	653,928	-	653,928	-	653,928	653,928
Other receivables	300,215	-	300,215	-	300,215	-	300,215	-	300,215	300,215
Due from related parties	9,919	-	9,919	-	9,919	-	9,919	-	9,919	9,919
Deferred tax assets	21,445	-	21,445	-	21,445	-	21,445	-	21,445	21,445
	3,478,274	-	3,478,274	-	3,478,274	-	3,478,274	-	3,478,274	3,478,274
Current assets										
Property development costs	423,173	-	423,173	-	423,173	-	423,173	-	423,173	423,173
Inventories	90,710	-	90,710	-	90,710	-	90,710	-	90,710	90,710
Trade receivables	876,644	-	876,644	-	876,644	-	876,644	-	876,644	876,644
Other receivables	167,643	-	167,643	-	167,643	-	167,643	-	167,643	167,643
Due from related parties	214,999	-	214,999	-	214,999	-	214,999	-	214,999	214,999
Tax recoverable	24,730	-	24,730	-	24,730	-	24,730	-	24,730	24,730
Marketable securities	-	-	-	-	-	-	-	-	-	-
Cash and cash balances	950,841	(4,286)	946,555	760,020	1,706,575	141,226	1,847,801	655,404	2,503,205	2,503,205
	2,748,740	(4,286)	2,744,454	760,020	3,504,474	141,226	3,645,700	655,404	4,301,104	4,301,104
Current liabilities										
Trade payables	835,482	-	835,482	-	835,482	-	835,482	-	835,482	835,482
Other payables	207,529	-	207,529	-	207,529	-	207,529	-	207,529	207,529
Borrowings	584,112	-	584,112	-	584,112	-	584,112	-	584,112	584,112
Tax payable	13,200	-	13,200	-	13,200	-	13,200	-	13,200	13,200
	1,640,323	-	1,640,323	-	1,640,323	-	1,640,323	-	1,640,323	1,640,323
Net current assets	1,108,417	(4,286)	1,104,131	760,020	1,864,151	141,226	2,005,377	655,404	2,660,781	2,660,781
	4,586,691	(4,286)	4,582,405	760,020	5,342,425	141,226	5,483,651	655,404	6,139,055	6,139,055

WCT Holdings Berhad
Pro Forma Consolidated Statement of Financial Position as at 31 December 2014

Appendix A

Maximum scenario (cont'd.)


The pro forma consolidated statement of financial position set out below are provided for illustrative purposes only to show the effects on the consolidated statement of financial position of WCT as at 31 December 2014 had the Corporate Exercises been effected on that date.

	Audited as at					Pro forma			
	31 December 2014 RM'000	Adjustment 1 RM'000	Pro forma I RM'000	Adjustment 2 RM'000	Pro forma II RM'000	Adjustment 3 RM'000	Pro forma III RM'000	Adjustment 4 RM'000	Pro forma IV RM'000
Financed by:									
Equity attributable to equity holders of the Company									
Share capital	546,276	-	546,276	169,856	716,132	71,613	787,745	157,549	945,294
Share premium	2,174,151	-	2,174,151	616,804	2,790,955	55,400	2,846,355	514,068	3,360,423
Reserves	(458,781)	-	(458,781)	(58,192)	(516,973)	14,213	(502,760)	(16,213)	(518,973)
Treasury shares, at cost	(27,266)	(4,286)	(31,552)	31,552	-	-	-	-	-
Shareholders' equity	2,234,380	(4,286)	2,230,094	760,020	2,990,114	141,226	3,131,340	655,404	3,786,744
Non-controlling interest	52,762	-	52,762	-	52,762	-	52,762	-	52,762
Total equity	2,287,142	(4,286)	2,282,856	760,020	3,042,876	141,226	3,184,102	655,404	3,839,506
Non-current liabilities									
Trade payables	89,379	-	89,379	-	89,379	-	89,379	-	89,379
Other payables	328,370	-	328,370	-	328,370	-	328,370	-	328,370
Borrowings	1,846,400	-	1,846,400	-	1,846,400	-	1,846,400	-	1,846,400
Deferred tax liabilities	35,400	-	35,400	-	35,400	-	35,400	-	35,400
	2,299,549	-	2,299,549	-	2,299,549	-	2,299,549	-	2,299,549
	4,586,691	(4,286)	4,582,405	760,020	5,342,425	141,226	5,483,651	655,404	6,139,055
Number of shares (unit'000):	A	1,077,586	1,074,812	1,432,264	1,575,490		1,890,588		
Net assets (RM'000):	B	2,234,380	2,230,094	2,990,114	3,131,340		3,786,744		
Net assets per share (RM):	C = B/A	2.07	2.07	2.09	1.99		2.00		

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON**



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.....
 Ernst & Young (AF: 0039)
Chartered Accountants
Low Khung Leong
Partner

**WCT HOLDINGS BERHAD
(930464-M)
(Incorporated in Malaysia)**

**Directors' Report and Audited Financial
Statements
31 December 2014**

930464-M

**WCT Holdings Berhad
(Incorporated in Malaysia)**

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**WCT Holdings Berhad
(Incorporated in Malaysia)****Directors' report**

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2014.

Principal activities

The principal activities of the Company are that of investment holding and provision of management services to the subsidiaries.

The principal activities of the subsidiaries, associates and jointly controlled entities are disclosed in Notes 7, 8 and 9 to the financial statements respectively.

There have been no significant changes in the nature of these principal activities during the financial year.

Results

	Group RM'000	Company RM'000
Profit after taxation	<u>120,971</u>	<u>6,077</u>
Attributable to:		
Equity holders of the Company	122,918	6,077
Non-controlling interest	<u>(1,947)</u>	<u>-</u>
	<u>120,971</u>	<u>6,077</u>

There were no material transfers to or from reserves and provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the effects that may arise from the event disclosed in Note 48 to the financial statements.

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WCT Holdings Berhad
(Incorporated in Malaysia)

Dividends

Dividends paid by the Company since 31 December 2013 are as follows:

	RM'000
In respect of the financial year ended 31 December 2013:	
<u>Final dividend paid</u>	
Final single tier dividend of 3.25 sen per ordinary share on 1,085,476,908 ordinary shares of RM0.50 each, paid on 5 June 2014	35,278
In respect of the financial year ended 31 December 2014:	
<u>Interim dividend paid</u>	
Single tier interim dividend comprising :	
- Cash dividend of 1.25 sen per ordinary share on 1,081,272,764 ordinary shares of RM0.50 each, paid on 10 October 2014; and	13,516
- Share dividend of 1 treasury share for every 100 ordinary shares held, comprising 10,809,930 treasury shares were distributed on 10 October 2014	23,321
	<u>72,115</u>

Subject to the shareholders' approval at the forthcoming Annual General Meeting, the Directors recommended final single tier dividend comprising:

- (i) Cash dividend of 1.00 sen per ordinary share of RM0.50 each; and
- (ii) Share dividend via a distribution of treasury shares on the basis of 1 treasury share for every 100 ordinary shares of RM0.50 each held, fractions of treasury shares to be disregarded.

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**WCT Holdings Berhad
(Incorporated in Malaysia)**

Directors

The Directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid
Taing Kim Hwa
Goh Chin Liong
Choe Kai Keong
Liang Kai Chong
Wong Yik Kae
Choo Tak Woh
Andrew Lim Cheong Seng

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under the Company's Employees' Share Options Scheme 2013/2023 ("ESOS 2013/2023") and warrants issued by the Company.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as disclosed in Note 36(c)) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 40.

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WCT Holdings Berhad
(Incorporated in Malaysia)

Directors' interests

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in ordinary shares, warrants and options over ordinary shares in the Company during the financial year were as follows:

	WCT Holdings Berhad			
	← 1 January 2014	No. of ordinary shares of RM0.50 each		→ 31 December 2014
		Acquired	(Disposed)	
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid				
- direct	937,500	9,375 *	-	946,875
- indirect (child)	11,500	10,000 215 *	-	21,715
Taing Kim Hwa				
- direct	2,343,166	50,000 23,431 *	-	2,416,597
- deemed **	207,875,062	2,078,750 *	-	209,953,812
Goh Chin Liong				
- direct	6,817,238	68,172 *	-	6,885,410
Choe Kai Keong				
- direct	3,146,753	31,467 *	-	3,178,220
Liang Kai Chong				
- direct	3,648,953	36,489 *	-	3,685,442
- indirect (spouse)	234,023	2,340 *	-	236,363
Wong Yik Kae				
- direct	75,605	756 *	-	76,361
Choo Tak Woh				
- direct	34,500	345 *	-	34,845
- indirect (spouse)	213,079	2,130 *	-	215,209

* Share dividend received on the basis of 1 treasury share for every 100 ordinary shares of RM0.50 each held in the Company, fraction of treasury shares was disregarded.

** Taing Kim Hwa, by virtue of his interest in the shares of the Company, is deemed interested in the shares of all the Company's subsidiaries to the extent the Company has an interest.

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WCT Holdings Berhad
(Incorporated in Malaysia)

Directors' interests (cont'd.)

	WCT Holdings Berhad			
	← 1 January 2014	Number of Warrants 2013/2016 Acquired	(Disposed/ Exercised)	31 December 2014 →
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid				
- direct	100,000	-	-	100,000
Taing Kim Hwa				
- direct	851,000	-	-	851,000
- indirect	42,328,658	-	-	42,328,658
Goh Chin Liong				
- direct	1,100,000	-	-	1,100,000
Choe Kai Keong				
- direct	493,100	-	(493,100)	-
Liang Kai Chong				
- direct	506,545	-	-	506,545
- indirect (spouse)	40,699	-	-	40,699
Wong Yik Kae				
- direct	5,000	-	-	5,000
- indirect (spouse)	40,000	-	-	40,000

The terms and conditions of Warrants 2013/2016 are disclosed in Note 28(f).

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WCT Holdings Berhad
(Incorporated in Malaysia)

Directors' interests (cont'd.)

	WCT Holdings Berhad			
	← 1 January 2014	Number of Warrants 2013/2017 Acquired	(Disposed/ Exercised)	31 December 2014 →
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid				
- direct	240,000	-	-	240,000
- indirect (child)	2,000	-	-	2,000
Taing Kim Hwa				
- direct	1,065,649	-	-	1,065,649
- indirect	47,776,160	-	-	47,776,160
Goh Chin Liong				
- direct	1,898,607	-	-	1,898,607
Choe Kai Keong				
- direct	1,023,700	493,100	-	1,516,800
Liang Kai Chong				
- direct	628,080	-	-	628,080
- indirect (spouse)	40,700	-	-	40,700
Wong Yik Kae				
- direct	522,801	-	-	522,801
Choo Tak Woh				
- indirect (spouse)	54,623	-	-	54,623

The terms and conditions of Warrants 2013/2017 are disclosed in Note 28(g).

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WCT Holdings Berhad
(Incorporated in Malaysia)

Directors' interests (cont'd.)

	Number of options over ordinary shares of RM0.50 each pursuant to WCT Holdings Berhad's ESOS 2013/2023			
	1 January 2014	Granted	(Exercised)	31 December 2014
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	50,000	50,000	-	100,000
Taing Kim Hwa	800,000	800,000	-	1,600,000
Goh Chin Liong	450,000	450,000	-	900,000
Choe Kai Keong	250,000	250,000	-	500,000
Liang Kai Chong	250,000	250,000	-	500,000
Wong Yik Kae	70,000	75,000	-	145,000
Choo Tak Woh	30,000	30,000	-	60,000
Andrew Lim Cheong Seng	20,000	23,000	-	43,000

Further information of the ESOS 2013/2023 are disclosed in Note 28(d).

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**WCT Holdings Berhad
(Incorporated in Malaysia)**

Issue of shares

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM546,231,457.50 to RM546,276,182.00, by way of:

- (i) issuance of 73,000 new ordinary shares of RM0.50 each pursuant to the exercise of the ESOS 2013/2023 at the exercise prices ranging between RM2.05 and RM2.15 per ordinary share; and
- (ii) issuance of 16,449 ordinary shares of RM0.50 each pursuant to the conversion of Warrants 2013/2016 and Warrants 2013/2017 at exercise prices ranging between RM2.04 and RM2.25 per ordinary share for cash.

The new ordinary shares rank *pari passu* in all respects with the existing ordinary shares.

Treasury shares

During the financial year, the Company repurchased a total of 25,775,800 of its issued ordinary shares from the open market at an average price of RM1.96 per share. The total consideration paid for the repurchase including transaction costs was RM50,587,431. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

A total of 10,809,930 treasury shares were distributed as share dividend on 10 October 2014 on the basis of 1 treasury share for every 100 ordinary shares of RM0.50 each held in the Company, fractions of treasury shares being disregarded.

As at 31 December 2014, the Company held 14,965,870 treasury shares with a carrying amount of RM27,266,268 with further details disclosed in Note 28(b) to the financial statements.

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**WCT Holdings Berhad
(Incorporated in Malaysia)**

Issue of shares (cont'd.)

Employees' Share Option Scheme 2013/2023 ("ESOS 2013/2023")

Details of the ESOS 2013/2023 and options granted and not exercised as at 31 December 2014 are disclosed in Note 28(d).

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of option holders who have been granted options to subscribe for less than 87,000 ordinary shares of RM0.50 each during the financial year ended 31 December 2014.

The names of option holders who are granted options to subscribe for 87,000 or more ordinary shares of RM0.50 each during the financial year, other than Directors whose details are disclosed in the section on Directors' Interests in this financial statements, are as follows:

	Number of share options over ordinary shares of RM0.50 each pursuant to WCT Holdings Berhad's ESOS 2013/2023			
	1 January 2014	Granted	(Exercised)	31 December 2014
Mohd Roslan bin Sarip	88,000	88,000	-	176,000
Ng Eng Keat	88,000	88,000	-	176,000
Saw Aik Hock	88,000	88,000	-	176,000
Goh Tong Kiat	88,000	88,000	-	176,000
James Andrew Chai	88,000	88,000	-	176,000
Wan Ahmad Shukri bin Wan Daud	77,000	87,000	-	164,000

Warrants 2013/2016

157,014,351 Warrants 2013/2016 were issued on 1 July 2013 pursuant to the securities exchange made between the Company and WCT Berhad pursuant to a scheme of arrangement under Section 176 of the Companies Act, 1965. The Warrants 2013/2016 were listed on the Bursa Securities on 8 July 2013. The salient terms of the Warrants 2013/2016 are disclosed in Note 28(f).

As at the reporting date, 156,986,399 Warrants 2013/2016 remained unexercised.

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**WCT Holdings Berhad
(Incorporated in Malaysia)**

Warrants 2013/2017

163,777,448 Warrants 2013/2017 were issued on 1 July 2013 pursuant to the securities exchange made between the Company and WCT Berhad pursuant to a scheme of arrangement under Section 176 of the Companies Act, 1965. The Warrants 2013/2017 were listed on the Bursa Securities on 8 July 2013. The salient terms of the Warrants 2013/2017 are disclosed in Note 28(g).

As at the reporting date, 163,631,152 Warrants 2013/2017 remained unexercised.

Other statutory information

- (a) Before the statements of financial position, income statements and the statements of comprehensive income of the Group and of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
- (i) it necessary to write off any bad debts or the amount written off for bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent in respect of these financial statements; and
 - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

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**WCT Holdings Berhad
(Incorporated in Malaysia)**

Other statutory information (cont'd.)

(e) As at the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the Directors:

- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Significant events

Details of significant events are disclosed in Note 46 to the financial statements.

Subsequent events

Details of subsequent events are disclosed in Note 47 to the financial statements.

Material arbitration

Details of a material arbitration are disclosed in Note 48 to the financial statements.

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**WCT Holdings Berhad
(Incorporated in Malaysia)**

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 10 April 2015.



Taing Kim Hwa
Managing Director



Goh Chin Liong
Deputy Managing Director

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WCT Holdings Berhad
(Incorporated in Malaysia)

Statement by directors
Pursuant to Section 169(15) of the Companies Act, 1965

We, Taing Kim Hwa and Goh Chin Liong, being two of the Directors of WCT Holdings Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 17 to 184 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2014 and of the financial performance and the cash flows of the Group and of the Company for the financial year then ended.

The information set out in Note 51 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 10 April 2015.



Taing Kim Hwa
Managing Director



Goh Chin Liong
Deputy Managing Director

Statutory declaration
Pursuant to Section 169(16) of the Companies Act, 1965

I, Chong Kian Fah, being the Officer primarily responsible for the financial management of WCT Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 17 to 185 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

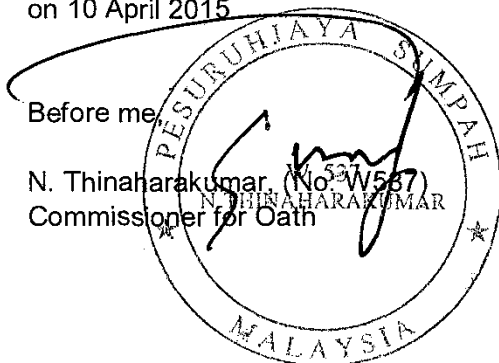
Subscribed and solemnly declared by
the abovenamed Chong Kian Fah at
Kuala Lumpur in the Federal Territory
on 10 April 2015



Chong Kian Fah

Before me,

N. Thinaharakumar, (No. W567)
Commissioner for Oath





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Chartered Accountants
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**Independent auditors' report to the members of
WCT Holdings Berhad
(Incorporated in Malaysia)**

Report on the financial statements

We have audited the financial statements of WCT Holdings Berhad, which comprise the statements of financial position as at 31 December 2014 of the Group and of the Company, the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 17 to 184.

Directors' responsibility for the financial statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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**Independent auditors' report to the members of
WCT Holdings Berhad (cont'd.)
(Incorporated in Malaysia)**

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2014 and of their financial performance and cash flows for the year then ended.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 48 to the financial statements which describe a contract dispute which is subject to arbitration proceedings. The probable outcome of the subject matter of arbitration cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia ("Act"), we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 7 to the financial statements, being financial statements that have been included in the consolidated financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.



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Independent auditors' report to the members of
WCT Holdings Berhad (cont'd.)
(Incorporated in Malaysia)

Other reporting responsibilities

The supplementary information set out in Note 51 on page 185 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Ernst & Young
AF: 0039
Chartered Accountants



Low Khung Leong
No. 2697/01/17 (J)
Chartered Accountant

Kuala Lumpur, Malaysia
10 April 2015

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WCT Holdings Berhad
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Note	Group		Company (Restated)		01.01.2013 RM'000
		31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000	
Non-current assets						
Property, plant and equipment	4	235,656	271,650	6	-	-
Land held for property development	5(a)	991,553	640,379	-	-	-
Investment properties	6	737,813	653,006	-	-	-
Investments in subsidiaries	7	-	-	3,213,427	3,212,020	-
Investments in associates	8	132,361	127,584	-	-	-
Investments in joint ventures	9(b)	395,384	315,694	236	135	-
Trade receivables	10	653,928	542,390	-	-	-
Other receivables	11	300,215	281,659	-	-	-
Due from related parties	12	9,919	14,757	-	-	-
Deferred tax assets	13	21,445	16,028	4,262	420	-
		<u>3,478,274</u>	<u>2,863,147</u>	<u>3,217,931</u>	<u>3,212,575</u>	<u>-</u>
Current assets						
Property development costs	5(b)	423,173	304,584	-	-	-
Inventories	14	90,710	75,575	-	-	-
Trade receivables	10	876,644	706,815	-	-	-
Other receivables	11	167,643	283,993	1,149	949	-
Due from related parties	12	214,999	252,876	1,867,148	1,129,761	-
Tax recoverable		24,730	8,508	-	-	-
Marketable securities	15	-	65,721	-	-	-
Cash and bank balances	16	950,841	973,403	193,484	472,632	-
		<u>2,748,740</u>	<u>2,671,475</u>	<u>2,061,781</u>	<u>1,603,342</u>	<u>-</u>

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WCT Holdings Berhad
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014 (CONT'D.)

	Note	Group		Company (Restated)		01.01.2013 RM'000
		31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000	
Current liabilities						
Trade payables	17	835,482	615,799	-	-	-
Other payables	18	207,529	226,928	21,335	13,039	1
Due to related parties	12	-	-	235,568	98,035	3
Borrowings	19	584,112	369,068	392,385	300,000	-
Tax payable		13,200	19,454	5,095	3,242	-
		<u>1,640,323</u>	<u>1,231,249</u>	<u>654,383</u>	<u>414,316</u>	<u>4</u>
Net current assets/ (liabilities)						
		<u>1,108,417</u>	<u>1,440,226</u>	<u>1,407,398</u>	<u>1,189,026</u>	<u>(4)</u>
		<u>4,586,691</u>	<u>4,303,373</u>	<u>4,625,329</u>	<u>4,401,601</u>	<u>(4)</u>
Financed by:						
Equity attributable to equity holders of the Company						
Share capital	28	546,276	546,231	546,276	546,231	-
Share premium	29	2,174,151	2,173,973	2,174,151	2,173,973	-
Reserves	30	(458,781)	(515,898)	332,168	396,332	(4)
Treasury shares, at cost	28	(27,266)	-	(27,266)	-	-
		<u>2,234,380</u>	<u>2,204,306</u>	<u>3,025,329</u>	<u>3,116,536</u>	<u>(4)</u>
Non-controlling interest	31	52,762	52,055	-	-	-
Total equity		<u>2,287,142</u>	<u>2,256,361</u>	<u>3,025,329</u>	<u>3,116,536</u>	<u>(4)</u>
Non-current liabilities						
Trade payables	17	89,379	65,816	-	-	-
Other payables	18	328,370	390,279	-	-	-
Borrowings	19	1,846,400	1,553,072	1,600,000	1,285,065	-
Deferred tax liabilities	13	35,400	37,845	-	-	-
		<u>2,299,549</u>	<u>2,047,012</u>	<u>1,600,000</u>	<u>1,285,065</u>	<u>-</u>
		<u>4,586,691</u>	<u>4,303,373</u>	<u>4,625,329</u>	<u>4,401,601</u>	<u>(4)</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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WCT Holdings Berhad
(Incorporated in Malaysia)

INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	32	1,662,222	1,654,951	95,813	412,828
Cost of sales	33	(1,428,635)	(1,374,948)	-	-
Gross profit		233,587	280,003	95,813	412,828
Other operating income	34	60,946	140,439	153	1
Administration expenses		(72,845)	(74,513)	(13,114)	(6,410)
Other expenses		(27,383)	(43,256)	(508)	(234)
Operating profit		194,305	302,673	82,344	406,185
Finance costs	35	(60,233)	(67,631)	(77,495)	(25,113)
Share of results of associates	8	8,393	12,124	-	-
Share of results of joint ventures	9(b)	6,989	7,077	-	-
Profit before taxation	36	149,454	254,243	4,849	381,072
Taxation	37	(28,483)	(64,492)	1,228	(2,822)
Profit after taxation		120,971	189,751	6,077	378,250
Attributable to:					
Equity holders of the Company		122,918	197,548	6,077	378,250
Non-controlling interest	31	(1,947)	(7,797)	-	-
		120,971	189,751	6,077	378,250
Earnings per share attributable to equity holders of the Company (sen)					
- Basic	38 (i)	11.33	18.40		
- Fully diluted	38 (ii)	11.27	17.65		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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WCT Holdings Berhad
(Incorporated in Malaysia)

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit after taxation	120,971	189,751	6,077	378,250
Other comprehensive income:-				
Foreign currency translation	7,094	9,137	-	-
Revaluation of freehold land and buildings	-	(27)		
Other comprehensive income for the year, net of tax	7,094	9,110	-	-
Total comprehensive income for the year	128,065	198,861	6,077	378,250
Total comprehensive income for the year attributable to:				
Equity holders of the Company	127,358	203,764	6,077	378,250
Non-controlling interest	707	(4,903)	-	-
	128,065	198,861	6,077	378,250

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

Group	Note	Attributable to equity holders of the Company											Total equity RM'000		
		Non-Distributable					Distributable					Non-controlling Interest (Note 31) RM'000			
		Share capital (Note 28) RM'000	Share premium (Note 29) RM'000	Treasury share (Note 28) RM'000	Internal reorganisation reserve (Note 30) RM'000	Warrant reserve (Note 30) RM'000	Revaluation reserve (Note 30) RM'000	Other reserve (Note 30) RM'000	Capital reserve (Note 30) RM'000	Equity compensation reserve (Note 30) RM'000	Exchange reserve (Note 30) RM'000		General reserve (Note 30) RM'000	Retained profits (Note 30) RM'000	Total RM'000
		475,820	394,086	-	-	86,747	27,756	449	2,846	2,673	(110,020)	1,438	928,662	1,810,457	1,867,415
		-	-	-	-	-	(27)	-	-	-	6,243	-	197,548	197,548	189,751
		-	-	-	-	-	(27)	-	-	-	6,243	-	197,548	203,764	198,861
		-	-	-	-	-	-	-	-	-	-	-	(72,898)	(72,898)	(72,898)
		-	-	-	-	-	-	-	-	-	-	-	3,234	3,234	3,234
		-	-	-	-	-	-	-	-	-	-	-	-	107	107
		3,238	7,381	-	-	-	-	-	-	-	-	-	-	10,619	10,619
		67,173	181,850	-	-	-	-	-	-	-	-	-	-	248,023	248,023
		-	1,554,791	-	(1,554,791)	-	-	-	-	-	-	-	-	-	-
		-	2,723	-	-	-	-	-	-	-	-	-	-	-	-
		-	33,142	-	-	(33,142)	-	-	-	-	-	-	-	-	-
		546,231	2,173,973	-	(1,554,791)	53,027	27,729	217	2,846	3,291	(103,777)	1,438	1,054,122	2,204,306	2,256,361
		546,231	2,173,973	-	(1,554,791)	53,027	27,729	217	2,846	3,291	(103,777)	1,438	1,054,122	2,204,306	2,256,361
		-	-	-	-	-	-	-	-	-	-	-	122,918	122,918	120,971
		-	-	-	-	-	-	-	-	-	4,440	-	4,440	2,654	7,094
		-	-	-	-	-	-	-	-	-	4,440	-	122,918	127,358	123,068
		-	-	-	-	-	-	-	-	-	-	-	(48,794)	(48,794)	(48,794)
		-	-	23,321	-	-	-	-	-	-	-	-	(23,321)	-	1,805
		-	-	-	-	-	-	-	-	1,805	-	-	-	1,805	1,805
		-	-	-	-	-	-	-	-	-	-	-	-	101	101
		36	120	(50,587)	-	-	-	-	-	-	-	-	-	(50,587)	(50,587)
		9	26	-	-	-	-	-	-	-	-	-	-	156	156
		29	28	-	-	-	-	-	-	-	-	-	-	35	35
		-	4	-	-	(4)	-	-	-	-	-	-	-	-	-
		-	-	(21,266)	(4,058)	-	(77)	-	2,846	5,169	(99,337)	1,438	1,109,061	2,234,380	2,287,142
		546,276	2,174,151	(21,266)	(4,058)	53,023	23,670	140	2,846	5,169	(99,337)	1,438	1,109,061	2,234,380	2,287,142

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

Company	Non-Distributable			Distributable			Total equity
	Share capital (Note 28) RM'000	Share premium (Note 29) RM'000	Treasury share (Note 28) RM'000	Warrant reserve (Note 30) RM'000	Equity compensation reserve (Note 30) RM'000	Retained profits (Note 30) RM'000	
At 1 January 2013	*	-	-	-	-	(4)	(4)
Profit for the financial year	-	-	-	-	-	378,250	378,250
Total comprehensive income for the year	-	-	-	-	-	378,250	378,250
Arising from internal reorganisation exercise	546,090	2,173,440	-	53,032	-	-	2,772,562
Dividends	-	-	-	-	-	(38,232)	(38,232)
Share options vested under ESOS	-	-	-	-	707	-	707
Share options vested under ESOS included in investment in subsidiaries	-	-	-	-	2,527	-	2,527
Share options vested under ESOS included in investment in joint ventures	-	-	-	-	107	-	107
Arising from share options exercised	62	205	-	-	-	-	267
Arising from conversion of warrants	79	273	-	-	-	-	352
Transfer within reserve for ESOS exercised	-	50	-	-	(50)	-	-
Transfer within reserve for warrants exercised	-	5	-	(5)	-	-	-
At 31 December 2013	546,231	2,173,973	-	53,027	3,291	340,014	3,116,536
At 1 January 2014	546,231	2,173,973	-	53,027	3,291	340,014	3,116,536
Profit for the financial year	-	-	-	-	-	6,077	6,077
Total comprehensive income for the year	-	-	-	-	-	6,077	6,077
Dividends	-	-	-	-	-	(48,794)	(48,794)
Share dividends distributed to shareholders	-	-	-	-	-	(23,321)	(23,321)
Share options vested under ESOS	-	-	23,321	-	-	-	23,321
Share options vested under ESOS included in investment in subsidiaries	-	-	-	-	398	-	398
Share options vested under ESOS included in investment in joint ventures	-	-	-	-	1,407	-	1,407
Arising from share buy-back	-	-	-	-	101	-	101
Arising from share options exercised	36	120	(50,587)	-	-	-	(50,587)
Arising from conversion of warrants	9	26	-	-	-	-	35
Transfer within reserve for ESOS exercised	-	28	-	-	(28)	-	-
Transfer within reserve for warrants exercised	-	4	-	(4)	-	-	-
At 31 December 2014	546,276	2,174,151	(27,266)	53,023	5,169	273,976	3,025,329

* Represent RM2.00

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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WCT Holdings Berhad
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before taxation	149,454	254,243	4,849	381,072
Adjustments for:				
Interest income	(39,615)	(43,230)	(69,080)	(18,599)
Dividend income	-	-	(22,936)	(393,185)
Dividend income from marketable securities	(1,234)	(2,019)	-	-
Interest expense	60,233	67,631	77,495	25,113
Net unrealised foreign exchange gains	(18,050)	(35,727)	-	-
Allowance for doubtful debts				
- third parties	4,670	17,833	-	-
Property, plant and equipment				
- depreciation	8,170	9,936	1	-
- loss/(gain) on disposal	16,245	(3,975)	-	-
- written off	37	904	-	-
- impairment	-	444	-	-
Bad debts written off	3,001	9,320	-	-
Reversal of allowance for impairment of trade and other receivables	(1,024)	(4,509)	-	-
Gain on disposal of investment associates	-	(10,355)	-	-
Gain on disposal of stock properties	(53)	(709)	-	-
Loss on disposal of investment in a subsidiary	-	5,156	-	-
Write down/(back) in value of properties held for sale	157	(626)	-	-
Share options granted under ESOS	1,805	3,234	398	707
Fair value gain on investment properties	(9,945)	(51,105)	-	-
Share of results of associates	(8,393)	(12,124)	-	-
Share of results of joint ventures	(6,989)	(7,077)	-	-

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WCT Holdings Berhad
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D.)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash flows from operating activities (cont'd.)				
Adjustments for: (cont'd.)				
Provision/(reversal) of foreseeable losses for				
- contract work in progress	2,000	(12,741)	-	-
Loss on disposal of other investments	-	265	-	-
Finance (income)/expense from loan and receivables	(1,011)	2,869	-	-
Operating profit/(loss) before changes in working capital	159,458	187,638	(9,273)	(4,892)
Development expenditure	(448,697)	(446,646)	-	-
Related parties	(8,570)	176,328	(599,854)	413,497
Joint ventures	(2,600)	5,175	-	-
Inventories	(16,380)	(4,227)	-	-
Receivables	(178,210)	(224,459)	(200)	(949)
Payables	164,395	(137,969)	8,296	13,038
Cash flows (used in)/generated from operations	(330,604)	(444,160)	(601,031)	420,694
Interest paid	(80,424)	(76,777)	(70,175)	(22,233)
Interest received	39,615	36,857	69,080	18,599
Taxation paid	(58,826)	(64,400)	(761)	-
Net cash (used in)/generated from operating activities	(430,239)	(548,480)	(602,887)	417,060

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WCT Holdings Berhad
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D.)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash flows from investing activities				
Dividend received	-	-	22,936	393,185
Purchase of property, plant and equipment	(33,196)	(50,624)	(7)	-
Purchase of investment properties	(69,137)	(173,431)	-	-
Proceeds from disposal of:				
- subsidiaries	-	80,412	-	-
- associate	-	41,005	-	-
- other investment	-	8,510	-	-
Investment in joint venture	-	(25,241)	-	-
Redemption of cumulative redeemable preference shares from associates	4,369	-	-	-
Refund of share application monies from associates	2,798	2,763	-	-
Dividend received from associates	1,655	6,508	-	-
Withdrawal/(placement) in:				
- FSRA account	102,274	(100,284)	-	-
- deposits in licensed banks	(4)	9,862	-	-
Proceeds from disposal/(purchase) of marketable securities	66,955	(65,721)	-	-
Proceeds from disposal of:				
- property, plant and equipment	30,442	25,793	-	-
- properties held for sale	-	1,182	-	-
- investment properties	720	-	-	-
Net cash generated from/(used in) investing activities	106,876	(239,266)	22,929	393,185

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WCT Holdings Berhad
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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D.)

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities				
Dividends paid	(48,794)	(72,898)	(48,794)	(38,232)
Proceeds from MTN	-	1,000,000	-	-
Proceeds from Sukuk Murabahah	600,000	-	600,000	-
Proceeds from share options exercised	156	10,619	156	267
Proceeds from conversion of warrants	35	249,023	35	352
Purchase of treasury shares	(50,587)	-	(50,587)	-
Payments to hire purchase payables	(124)	(7,261)	-	-
Proceeds/(repayment) of bankers acceptance and revolving credits	131,049	(80,195)	-	-
Repayment of term loans	(32,623)	(5,910)	-	-
Repayment of Islamic MTN	(200,000)	(100,000)	(200,000)	-
Repayment of SUKUK	-	(99,288)	-	-
Repayment of Bonds	-	(300,000)	-	(300,000)
Net cash generated from/(used in) financing activities	<u>399,112</u>	<u>594,090</u>	<u>300,810</u>	<u>(337,613)</u>

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WCT Holdings Berhad
(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D.)**

	Group		Company	
	RM'000	RM'000	RM'000	RM'000
Net increase/(decrease) in cash and cash equivalents	75,749	(193,656)	(279,148)	472,632
Exchange differences	1,209	1,714	-	-
Cash and cash equivalents at beginning of the financial year	867,524	1,059,466	472,632	-
Cash and cash equivalents at end of the financial year	944,482	867,524	193,484	472,632

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the statements of financial position date:

		Group		Company	
	Note	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash and bank balances	16	950,071	870,359	193,484	472,632
Less: Deposits with maturity more than three months	16	(160)	(156)	-	-
Bank overdrafts	23	(5,429)	(2,679)	-	-
Total cash and cash equivalents		944,482	867,524	193,484	472,632

The cash held under Housing Development Accounts are amounts held pursuant to section 7A of the Housing Development (Control and Licensing) Act, 1966 and are therefore restricted from use in other operations.

Deposits with licensed banks of the Group amounting to RM11,052,000 (2013: RM13,994,000) are pledged to banks to secure banking facilities.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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WCT Holdings Berhad
(Incorporated in Malaysia)

Notes to the financial statements - 31 December 2014

1. Corporation information

The Company is a public limited company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). The registered office and principal place of business of the Company is located at No. 12, Jalan Majistret U1/26, Seksyen U1, Lot 44, Hicom-Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan.

The principal activities of the Company are that of investment holding and provision of management services to the subsidiaries. The principal activities of the subsidiaries, associates and jointly controlled entities are disclosed in Notes 7, 8 and 9 respectively.

There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue in accordance with a resolution of the Directors on 10 April 2015.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRS which are mandatory for financial periods beginning on or after 1 January 2014 as described fully in Note 2.2.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

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WCT Holdings Berhad
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2. Summary of significant accounting policies (cont'd.)

2.2 Changes in accounting policies

On 1 January 2014, the Group and the Company adopted the following new and amended FRS and IC Interpretations which are effective for annual financial periods beginning on or after 1 January 2014.

Description

- Amendments to FRS 132: *Offsetting Financial Assets and Financial Liabilities*
- Amendments to FRS 10, FRS 12 and FRS 127: *Investment Entities*
- Amendments to FRS 139: *Novation of Derivatives and Continuation of Hedge Accounting*
- IC Interpretation 21: *Levies*
- Annual improvements FRSs 2010-2012 cycle
- Annual improvements FRSs 2011-2013 cycle

Adoption of the above standards and interpretations did not have any material effect on the financial performance or position of the Group and the Company.

2.3 Standards issued but not yet effective

The standards that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
• Amendments to FRS 119: <i>Defined Benefit Plans: Employee Contributions</i>	1 July 2014
• Annual Improvements to FRSs 2010–2012 Cycle	1 July 2014
• Annual Improvements to FRSs 2011–2013 Cycle	1 July 2014
• Amendments to FRS 116 and FRS 138: <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
• Amendments to FRS 11: <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
• Amendments to FRS 127: <i>Equity Method in Separate Financial Statements</i>	1 January 2016
• FRS 14: <i>Regulatory Deferral Accounts</i>	1 January 2016
• Amendments to FRS 116 and FRS 141: <i>Agriculture: Bearer Plants</i>	1 January 2016
• FRS 9: <i>Financial Instruments</i>	1 January 2018

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WCT Holdings Berhad
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2. Summary of significant accounting policies (cont'd.)

2.3 Standards issued but not yet effective (cont'd.)

The Directors expect that the adoption of the above standards will have no material impact on the financial statements in the period of initial application except as discussed below:

Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that:

- gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and
- gains and losses resulting from transactions involving the sale or contribution to an associate of a joint venture of assets that constitute a business is recognised in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after 1 January 2016. Earlier application is permitted.

FRS 9: Financial Instruments

In November 2014, MASB issued the final version of FRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted.

Retrospective application is required, but comparative information is not compulsory. The adoption of FRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

**WCT Holdings Berhad
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2. Summary of significant accounting policies (cont'd.)

2.3 Standards issued but not yet effective (cont'd.)

Malaysian Financial Reporting Standards ("MFRS Framework")

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework"). The MFRS Framework comprises Standards as issued by the International Accounting Standards Board ("IASB") that are effective on 1 January 2012. It also comprises new/revised Standards that will be effective after 1 January 2012. All other Standards under the FRS framework where no new/revised Standards that will be effective after 1 January 2012 will transition to MFRS Framework with no further amendments.

The MFRS Framework is to be applied to all entities other than private entities with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estates including its parent, significant investor and venturer ("Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS until the MFRS Frameworks becomes mandatory for Transitioning Entities for annual periods beginning on or after 1 January 2017.

The Group falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2017. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2017.

The subsidiaries within the Group which do not fall within the scope of Transitioning Entities have adopted the MFRS Framework. As the Group and the Company fall within the scope of Transitioning Entities, adjustments have been made to reflect the consolidated financial statements under FRSs.

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(Incorporated in Malaysia)

2. Summary of significant accounting policies (cont'd.)

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Group controls an investee if and only if the Group has:

- (i) power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) exposure, or rights, to variable returns from its investment with the investee; and
- (iii) the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) the contractual arrangement with the other vote holders of the investee;
- (ii) rights arising from other contractual arrangements; and
- (iii) the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation except for unrealised losses which are not eliminated if there are indications of impairment.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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2. Summary of significant accounting policies (cont'd.)

2.4 Basis of consolidation (cont'd.)

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of FRS 139 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in profit or loss or as a charge to OCI. If the contingent consideration is not within the scope of FRS 139, it is measured in accordance with the appropriate FRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

**WCT Holdings Berhad
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After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.5 Transactions with non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statements of comprehensive income and within equity in the consolidated statements of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if it results in a deficit balance.

2.6 Foreign currencies

The Group's consolidated financial statements are presented in Ringgit Malaysia (RM). For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

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WCT Holdings Berhad
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2. Summary of significant accounting policies (cont'd.)

2.6 Foreign currencies (cont'd.)

(a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

(b) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

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2. Summary of significant accounting policies (cont'd.)

2.7 Property, plant and equipment

Construction in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Leasehold lands are depreciated based on the period of 99 years.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

- | | |
|--------------------------------------|---|
| - Leasehold land: 99 years | - Office equipment: 2 to 11 years |
| - Buildings: 50 years | - Furniture and fittings: 5 to 11 years |
| - Plant and machinery: 2 to 19 years | - Renovations: 5 to 7 years |
| - Motor vehicles: 3 to 14 years | |

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2. Summary of significant accounting policies (cont'd.)

2.7 Property, plant and equipment (cont'd.)

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.8 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

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2. Summary of significant accounting policies (cont'd.)

2.8 Investment properties (cont'd.)

Investment property under construction ("IPUC") is measured at fair value (when the fair value is reliably determinable). When assessing whether the fair value of IPUC can be determined reliably the Company considers, among other things:

- i) Construction of the asset in a developed liquid market;
- ii) Signing of a construction contract with the contractor;
- iii) Obtaining the required building and letting permits; and
- iv) The percentage of rentable area that has been pre-leased to tenants.

IPUC for which fair value cannot be determined reliably is measured at cost less impairment.

The fair value of IPUC were determined at the end of the reporting period based on the opinion of a qualified independent valuer and valuations were performed using either the residual method approach or disclosed cash flow approach, as deemed appropriate by the valuer. Each IPUC is individually assessed.

The estimated value of future assets is based on the expected future income from the project, using risk adjusted yields that are higher than the current yields of similar completed property. The remaining expected costs of completion plus margin are deducted from the estimated future assets value.

2.9 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

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2. Summary of significant accounting policies (cont'd.)

2.9 Impairment of non-financial assets (cont'd.)

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.10 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

- (i) power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) exposure, or rights, to variable returns from its investment with the investee; and
- (iii) the ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

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2. Summary of significant accounting policies (cont'd.)

2.11 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

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2. Summary of significant accounting policies (cont'd.)

2.11 Investments in associates and joint ventures (cont'd.)

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.12 Investments in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group as a joint operator recognises in relation to its interest in a joint operation:

- (i) its assets, including its share of any assets held jointly;
- (ii) its liabilities, including its share of any liabilities incurred jointly;
- (iii) its revenue from the sale of its share of the output arising from the joint operation;
- (iv) its share of the revenue from the sale of the output by the joint operation; and
- (v) its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the FRSs applicable to the particular assets, liabilities, revenues and expenses.

Profits and losses resulting from transactions between the Group and its joint operation are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the joint operation.

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2. Summary of significant accounting policies (cont'd.)

2.13 Other non-current investments

Non-current investments other than investments in subsidiaries, associates and jointly controlled entities are stated at cost less impairment losses. On disposal of a non-current investment, the difference between net disposal proceeds and its carrying amount is recognised in profit or loss.

When the range of reasonable fair value estimate is significant and the probabilities of the various estimates cannot be reasonably assessed, an entity is precluded from measuring the instrument at fair value.

2.14 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in four categories:

- financial assets at fair value through profit or loss;
- loans and receivables;
- held-to-maturity investments; and
- available-for-sale financial assets.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by FRS 139. The Group has not designated any financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the statement of profit or loss.

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2. Summary of significant accounting policies (cont'd.)

2.14 Financial assets (cont'd.)

Subsequent measurement (cont'd.)

(a) Financial assets at fair value through profit or loss (cont'd.)

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

(b) Loans and receivables

This category is the most relevant to the Group. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

This category generally applies to trade and other receivables.

(c) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Group has the positive intention and ability to hold them to maturity. After initial measurement, held to maturity investments are measured at amortised cost using the EIR, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss as finance costs.

(d) Available-for-sale ("AFS") financial assets

AFS financial assets include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

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2. Summary of significant accounting policies (cont'd.)

2.14 Financial assets (cont'd.)

(d) Available-for-sale ("AFS") financial assets (cont'd.)

After initial measurement, AFS financial assets are subsequently measured at fair value with unrealised gains or losses recognised in OCI and credited in the AFS reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the statement of profit or loss in finance costs. Interest earned whilst holding AFS financial assets is reported as interest income using the EIR method.

The Group evaluates whether the ability and intention to sell its AFS financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if the management has the ability and intention to hold the assets for foreseeable future or until maturity.

For a financial asset reclassified from the AFS category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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2. Summary of significant accounting policies (cont'd.)

2.14 Financial assets (cont'd.)

Derecognition (cont'd.)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.15 Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income (recorded as finance income in the statement of profit or loss) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of profit or loss.

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2. Summary of significant accounting policies (cont'd.)

2.15 Impairment of financial assets (cont'd.)

(b) AFS financial assets

For AFS financial assets, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss – is removed from OCI and recognised in the statement of profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised in OCI.

The determination of what is 'significant' or 'prolonged' requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

In the case of debt instruments classified as AFS, the impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the statement of profit or loss, the impairment loss is reversed through the statement of profit or loss.

2.16 Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

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2. Summary of significant accounting policies (cont'd.)

2.17 Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

When the total costs incurred on construction contracts plus recognised profits (less recognised losses) exceed progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

2.18 Land held for property development and property development costs

(i) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(ii) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

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2. Summary of significant accounting policies (cont'd.)

2.18 Land held for property development and property development costs (cont'd.)

(ii) Property development costs (cont'd.)

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the profit or loss over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings within trade payables.

2.19 Inventories

Inventories comprising properties held for sale and consumable stocks are stated at lower of cost and net realisable value.

Cost of property stocks is determined on the specific identification basis and comprises cost associated with the acquiring of land, direct construction cost and appropriate proportions of common cost.

Cost of consumable stocks is determined using the first in, first out method and comprises the cost of purchase plus the cost of bringing the goods to its present condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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2. Summary of significant accounting policies (cont'd.)

2.21 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by FRS 139. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in FRS 139 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

(b) Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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2. Summary of significant accounting policies (cont'd.)

2.21 Financial liabilities (cont'd.)

Subsequent measurement (cont'd.)

(b) Loans and borrowings (cont'd.)

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

(c) Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.22 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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2. Summary of significant accounting policies (cont'd.)

2.23 Islamic Medium Term Notes ("IMTN")

The IMTNs were issued in accordance with the Islamic financing concept of Musyarakah. In accordance with such concept, IMTNs are initially recognised at the fair value of the consideration received less direct attributable transaction costs.

2.24 Bonds with Warrants ("Bonds")

The Bonds were issued in accordance with a subscription agreement entered into between the Company and the Primary Subscribers. Subsequently, the provisional rights to allotment of the warrants were detached from the Bonds where the Primary Subscribers will undertake a private placement of the Bonds (without the warrants) to secondary investors. The Primary Subscribers will then undertake an offer for sale of the provisional rights to allotment of the warrants.

The Bonds are initially recognised based on the proceeds received, net of transaction costs incurred. In subsequent periods, the Bonds are stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statements over the life of the Bonds.

2.25 MTN Programme ("MTN")

The MTNs were issued via bought deal basis and are initially recognised at the fair value of the consideration received less direct attributable transaction costs.

2.26 Sukuk Murabahah Programme

Sukuk Murabahah Programme for the issuance of Sukuk ("Sukuk Murabahah") based on the Shariah principle of Murabahah involving Shariah-compliant commodities of up to RM1.5 billion in nominal value ("Sukuk Murabahah Programme").

The Sukuk Murabahah are issued under the Shariah principle of Murabahah based on commodity trading (via a Tawarruq arrangement), which is one of the Shariah principles and concepts approved by the Shariah Advisory Council of the Securities Commission Malaysia.

The Sukuk Murabahah's will be issued via book-building, private placement or bought deal basis and are initially recognised at the fair value of the consideration received less direct attributable transaction costs.

2.27 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

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2. Summary of significant accounting policies (cont'd.)

2.27 Employee benefits (cont'd.)

(b) Defined contribution plans

The Group participates in the national pension scheme as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension scheme are recognised as an expense in the period in which the related service is performed.

(c) Share-based compensation

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium when the options are exercised.

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2. Summary of significant accounting policies (cont'd.)

2.28 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(a) As lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

(b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.29 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

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2. Summary of significant accounting policies (cont'd.)

2.29 Revenue (cont'd.)

(a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Sale of properties

Revenue from sale of properties is accounted for by the stage of completion method. Revenue from completed property units and land is recognised when risk and rewards associated to ownership have been transferred to purchasers.

(c) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method.

(d) Interest income

Interest income is recognised using the effective interest method.

(e) Management fees

Management fees are recognised when services are rendered.

(f) Dividend income

Dividend income is recognised when the Group's and the Company's right to receive payment is established.

(g) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(h) Hiring of machineries

Rental income from hiring of machineries is recognised on accrual basis when the rights to receive payments are established.

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2. Summary of significant accounting policies (cont'd.)

2.29 Revenue (cont'd.)

(i) Car park income

Revenue from car park operations is recognised on accrual basis.

(j) Hotel income

Room income is recognised based on an accruals basis unless collection is in doubt, in which case it is recognised based on receipt basis.

Revenue from the sales of food and beverage is recognised based on invoiced value of goods sold.

2.30 Income taxes

(a) Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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2. Summary of significant accounting policies (cont'd.)

2.30 Income taxes (cont'd.)

(b) Deferred tax (cont'd.)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

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2. Summary of significant accounting policies (cont'd.)

2.31 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance.

2.32 Equity instrument

(a) Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(b) Preference shares

Preference shares are recorded at the amount of proceeds received, net of transaction costs. Preference shares are classified as equity if they are non-redeemable and dividends are discretionary at the option of the issuer. Preference shares are classified as liability if they are redeemable on a specific date or at the option of the shareholders and dividends thereon are recognised in the income statements as interest expense. Preference shares that are compound instruments are split into liability and equity components. Each component is accounted for separately.

(c) Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in share premium. Share options exercised during the reporting period are satisfied with treasury shares.

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2. Summary of significant accounting policies (cont'd.)

2.33 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

2.34 Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within 12 months after the reporting period; or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.35 Fair value measurement

The Group measures financial instruments, such as, derivatives and non-financial assets such as investment properties, at fair value at each reporting date.

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2. Summary of significant accounting policies (cont'd.)

2.35 Fair value measurement (cont'd.)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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2. Summary of significant accounting policies (cont'd.)

2.35 Fair value measurement (cont'd.)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Senior management determines the policies and procedures for both recurring fair value measurement, such as investment properties, unquoted AFS financial assets and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, such as investment properties, AFS financial assets and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the senior management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Senior management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the senior management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, senior management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Senior management, in conjunction with the Group's external valuers, also compares each the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, senior management and the Group's external valuers present the valuation results to the audit committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**WCT Holdings Berhad
(Incorporated in Malaysia)****3. Significant accounting judgements, estimates and assumptions**

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

3.1 Critical judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(a) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

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3. Significant accounting judgements, estimates and assumptions (cont'd.)

3.1 Critical judgements made in applying accounting policies (cont'd.)

(b) Arbitration proceedings

Note 48 describes a contract dispute that is currently in progress between a joint operation in which the Group, through its Dubai Branch, has a 50% share (the "Arabtec-WCT Joint Venture") and the contract owner ("Meydan"). The calling of the Performance Security and its encashment, including the claim presented, raises questions about the accounting treatment for the transaction. In light of the contract dispute arising, the Directors consider the amount of the encashed Performance Security as amounts receivable from the contract owner pending resolution of the dispute.

In making this judgement, the Directors considered the criteria in The Framework for the Preparation and Presentation of Financial Statements and in conjunction with FRS 137 Provisions, Contingent Liabilities and Contingent Assets in considering whether the amounts payable can be recognised as an asset to the Group. In particular, consideration was given to whether the calling of the Performance Security indicated that the Group had a present legal obligation as a result of a past event, and whether it is probable that recognition of the asset will result in future economic benefits flowing to the Group.

In the view of the Directors, the contract termination and call on the Performance Security were not justified. Following receipt of legal opinion on the arbitration proceedings and the Dubai Civil Court's rejection on both Meydan's challenge on the validity of the arbitration tribunal and Meydan's civil claim for AED3,500 million (or approximately RM3,140 million) plus interest, the Directors believe that the outcome of the proceedings will be favorable and had recognised the amount of the Performance Security as a receivable, and not as an expense on the basis of the probability that any losses or additional costs to be borne by the Group is minimal and the Group has a contractual right to recoup the Performance Security.

(c) Operating lease commitments - the Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

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3. Significant accounting judgements, estimates and assumptions (cont'd.)

3.2 Key sources of estimation and uncertainty

The key assumptions concerning the future and other key sources of estimation and uncertainty at the statements of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Contract variations

Contract variations are recognised as revenue to the extent that it is probable that they will result in revenue which can be reliably measured. This requires the exercise of judgement by management based on prior experience, application of contract terms and relationship with the contract owners. The Group engages professional consultants to determine the quantum of contract variations to be recognised.

(b) Percentage-of-completion

The Group recognises property development and construction contracts revenue and expenses in the statement of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion of costs incurred for the work performed to date bear to the estimated total costs.

Significant judgement is required in determining the stage of completion, the extent of the costs incurred and the estimated total revenue and costs, as well as recoverability of the property development and construction contracts costs. In making the judgement, the Group evaluates based on past experience, external economic factors and by relying on the work of specialists.

(c) Impairment of loans and receivables

The Group recognises an allowance for doubtful debts when there is objective evidence that the Group will not be able to collect all amounts due according to the original term of receivables.

Significant judgement is required in the assessment of the recoverability of receivables. To the extent that actual recoveries deviate from management's estimates, such variances may have a material impact on the income statements. Based on management's assessment, management believes that the current level of allowance for doubtful debts is adequate. In addition, management is also rigorously monitoring the recoverability of these receivables.

(d) Construction and property development costs

The Group uses internal quantity surveyors together with project managers to estimate the costs to complete construction and property development contracts. Factors such as escalation of material prices, labour costs and other costs are included in the construction and property development cost based on estimates.

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3. Significant accounting judgements, estimates and assumptions (cont'd.)

3.2 Key sources of estimation and uncertainty (cont'd.)

(e) Expected losses on construction contracts

The Group recognises expected losses from a construction contract when it is probable that total contract costs exceed total revenue. In determining expected losses, the Group engages professional valuer to determine the total expected cost of a particular project (including total cost to complete) as well as the total revenue from the project (including any probable variation orders).

(f) Allowance for slow-moving inventories

Inventories are stated at the lower of cost or market value. Adjustments to reduce cost of inventory to net realisable value, if required are made at the product level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include change in demand, physical deterioration and quality issues.

(g) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

These losses relate to subsidiaries that have a history of losses, do not expire and may not be used to offset taxable income elsewhere in the Group. The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

(h) Employee share options

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the employee share options at the date at which they are granted. Judgement is required in determining the most appropriate valuation model for the share options granted, depending on the terms and conditions of the grant. Management is also required to use judgement in determining the most appropriate inputs to the valuation model including volatility and dividend yield.

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3. Significant accounting judgements, estimates and assumptions (cont'd.)

3.2 Key sources of estimation and uncertainty (cont'd.)

(i) Revaluation of investment property

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognised in profit or loss. The Group engaged independent valuation specialists to determine the fair value as at 31 December 2014.

(j) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounting cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounting cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

(k) Share-based payments

The Group initially measures the cost of cash-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in the profit or loss. This requires a reassessment of the estimates used at the end of each reporting period.

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4. Property, plant and equipment

Group	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovations, office equipment, furniture and fittings RM'000	Building work in progress RM'000	Total RM'000
As at 31 December 2014								
Cost/valuation								
At 1 January 2014	45,174	-	92,912	247,250	47,863	41,198	17,289	491,686
Additions	-	15,513	68	11,616	1,406	1,414	3,179	33,196
Reclassification	-	-	-	(339)	-	339	-	-
Disposals	(17,141)	-	(4,840)	(71,527)	(4,749)	(5,124)	-	(103,381)
Written off	-	-	-	(86)	(5)	(106)	-	(197)
Exchange differences	(75)	-	(26)	2,388	227	288	-	2,802
At 31 December 2014	27,958	15,513	88,114	189,302	44,742	38,009	20,468	424,106

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4. Property, plant and equipment (cont'd.)

Group (cont'd.)	Freehold	Leasehold	Buildings	Plant and	Motor	Renovations,	Building	Total
	land	land	RM'000	machinery	vehicles	office	work in	
	RM'000	RM'000	RM'000	RM'000	RM'000	equipment,	progress	RM'000
As at 31 December 2014 (cont'd.)	-	-	6,957	159,131	24,545	29,403	-	220,036
Accumulated depreciation and impairment								
At 1 January 2014	-	104	1,454	15,084	3,260	3,213	-	23,115
Depreciation charge for the financial year	-	-	-	(259)	-	259	-	-
Reclassification	-	-	(929)	(47,572)	(3,660)	(4,533)	-	(56,694)
Disposals	-	-	-	(36)	(5)	(84)	-	(125)
Written off	-	-	(4)	1,699	126	297	-	2,118
Exchange differences	-	-	7,478	128,047	24,266	28,555	-	188,450
At 31 December 2014	-	104	7,478	128,047	24,266	28,555	-	188,450
Net carrying amount								
At 31 December 2014	27,958	15,409	80,636	61,255	20,476	9,454	20,468	235,656

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4. Property, plant and equipment (cont'd.)

Group (cont'd.)	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovations, office equipment, furniture and fittings RM'000	Building work in progress RM'000	Total RM'000
As at 31 December 2013							
Cost/valuation							
At 1 January 2013	43,436	83,769	286,778	51,400	46,938	11,354	523,675
Additions	-	8,981	28,441	2,057	5,210	5,935	50,624
Disposals	-	-	(75,415)	(5,668)	(1,240)	-	(82,323)
Written off	-	-	(1,506)	(456)	(5,633)	-	(7,595)
Revaluation surplus	500	-	-	-	-	-	500
Disposal of a subsidiary	-	-	-	(86)	(5,019)	-	(5,105)
Exchange differences	1,238	162	8,952	616	942	-	11,910
At 31 December 2013	45,174	92,912	247,250	47,863	41,198	17,289	491,686

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4. Property, plant and equipment (cont'd.)

Group (cont'd.)	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovations, office equipment, furniture and fittings RM'000	Building work in progress RM'000	Total RM'000
As at 31 December 2013 (cont'd.)							
Accumulated depreciation and impairment							
At 1 January 2013	-	5,455	184,363	25,357	32,270	-	247,445
Depreciation charge for the financial year	-	1,459	25,567	3,440	3,780	-	34,246
Disposals	-	-	(55,180)	(4,265)	(1,060)	-	(60,505)
Written off	-	-	(1,031)	(341)	(5,319)	-	(6,691)
Disposal of a subsidiary	-	-	-	(19)	(1,507)	-	(1,526)
Impairment	-	-	-	-	444	-	444
Exchange differences	-	43	5,412	373	795	-	6,623
At 31 December 2013	-	6,957	159,131	24,545	29,403	-	220,036
Net carrying amount							
At 31 December 2013	45,174	85,955	88,119	23,318	11,795	17,289	271,650

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4. Property, plant and equipment (cont'd.)

	Renovations, office equipment, furniture and fittings, total RM'000
Company	
As at 31 December 2014	
Cost/valuation	
At 1 January 2014	-
Additions	7
At 31 December 2014	<u>7</u>
Accumulated depreciation and impairment	
At 1 January 2014	-
Depreciation charge for the financial year	1
At 31 December 2014	<u>1</u>
Net carrying amount	
At 31 December 2014	<u>6</u>

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4. Property, plant and equipment (cont'd.)

- (a) Freehold land is carried at valuation whilst freehold buildings are carried at valuation less accumulated depreciation. All other categories of property, plant and equipment are carried at costs less accumulated depreciation. Freehold land and buildings in Malaysia were revalued on 31 December 2013 by the Directors based on the valuation performed by Henry Butcher Malaysia (SEL.) Sdn. Bhd., member of the Institution of Surveyors, Malaysia. Freehold land and buildings in Bahrain were revalued on 31 December 2011 by Directors based on valuation performed by Carlton Real Estate, a member of The Carlton Group. Valuations were made using comparison method on the basis of open market value.

If the freehold land and buildings were measured using the cost model, the carrying amounts as at 31 December 2014 would have been as follows:

	Group	
	2014 RM'000	2013 RM'000
Freehold land and buildings		
Cost	93,290	109,890
Accumulated depreciation	(7,533)	(7,028)
Net book value	<u>85,757</u>	<u>102,862</u>

Analysis of valuation of freehold land and buildings is as follows:

Group	Freehold land		Buildings	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Valuation	27,958	46,190	88,114	93,917
Accumulated depreciation	-	-	(7,478)	(7,426)
Exchange differences	-	(1,016)	-	(536)
	<u>27,958</u>	<u>45,174</u>	<u>80,636</u>	<u>85,955</u>

- (b) All acquisitions of property, plant and equipment were by way of cash payments.

The carrying amounts of the property, plant and equipment held under hire purchase arrangements are as follows:

	Group	
	2014 RM'000	2013 RM'000
Machineries	-	7,859
Motor vehicles	1,536	6,025
	<u>1,536</u>	<u>13,884</u>

- (c) The freehold land and buildings with an aggregate carrying amount of RM75,911,000 (2013: RM76,949,000) are pledged to a financial institution for a term loan obtained as disclosed in Note 22.

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4. Property, plant and equipment (cont'd.)

- (d) Interest expense of RM511,000 were capitalised within building work in progress during the previous financial year as disclosed in Note 35.

5. Land held for property development and property development costs

(a) Land held for property development

Group	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Cost				
At 1 January 2013	166,217	42,802	179,452	388,471
Transferred to property development costs (Note 5(b))	(74,587)	(14,088)	(14,914)	(103,589)
Additions	465,252	431	72,153	537,836
Disposal of a subsidiary (Note 7(e))	-	(29,145)	(153,194)	(182,339)
At 31 December 2013/ 1 January 2014	556,882	-	83,497	640,379
Transferred to property development costs (Note 5(b))	(2,465)	-	(919)	(3,384)
Additions	23,899	258,697	71,962	354,558
At 31 December 2014	<u>578,316</u>	<u>258,697</u>	<u>154,540</u>	<u>991,553</u>

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5. Land held for property development and property development costs (cont'd.)

(b) Property development costs

Group	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
At 31 December 2014				
Cumulative property development costs				
At 1 January 2014	171,169	122,436	508,971	802,576
Cost incurred during the financial year	304	36,522	385,441	422,267
Transferred from land held for property development (Note 5(a))	2,465	-	919	3,384
Reversal of completed projects	(14,073)	-	(78,171)	(92,244)
Unsold completed units transferred to inventories	(1,545)	-	(25,569)	(27,114)
At 31 December 2014	<u>158,320</u>	<u>158,958</u>	<u>791,591</u>	<u>1,108,869</u>
Cumulative costs recognised in income statements				
At 1 January 2014	(30,389)	(59,411)	(408,192)	(497,992)
Recognised during the financial year (Note 33)	(13,606)	(64,520)	(201,822)	(279,948)
Reversal of completed projects	14,073	-	78,171	92,244
At 31 December 2014	<u>(29,922)</u>	<u>(123,931)</u>	<u>(531,843)</u>	<u>(685,696)</u>
Property development costs as at 31 December 2014	<u>128,398</u>	<u>35,027</u>	<u>259,748</u>	<u>423,173</u>

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5. Land held for property development and property development costs (cont'd.)

(b) Property development costs (cont'd.)

Group	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
At 31 December 2013				
Cumulative property development costs				
At 1 January 2013	116,113	66,539	662,914	845,566
Disposal of a subsidiary (Note 7(e))	-	(16,394)	(27,835)	(44,229)
Cost incurred during the financial year	195	58,203	164,489	222,887
Transferred from land held for property development (Note 5(a))	74,587	14,088	14,914	103,589
Reversal of completed projects	(17,264)	-	(285,698)	(302,962)
Unsold completed units transferred to inventories	(2,462)	-	(19,813)	(22,275)
At 31 December 2013	<u>171,169</u>	<u>122,436</u>	<u>508,971</u>	<u>802,576</u>
Cumulative costs recognised in income statements				
At 1 January 2013	(70,029)	(50,145)	(411,682)	(531,856)
Recognised during the financial year (Note 33)	22,376	(9,266)	(282,208)	(269,098)
Reversal of completed projects	17,264	-	285,698	302,962
At 31 December 2013	<u>(30,389)</u>	<u>(59,411)</u>	<u>(408,192)</u>	<u>(497,992)</u>
Property development costs as at 31 December 2013	<u>140,780</u>	<u>63,025</u>	<u>100,779</u>	<u>304,584</u>

Interest costs of RM21,066,000 (2013: RM22,193,000) were capitalised within development costs during the financial year as disclosed in Note 35.

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6. Investment properties

	Investment properties RM'000	Group Investment properties under construction RM'000	Total RM'000
Fair value/cost			
At 1 January 2014	474,555	178,451	653,006
Additions	-	75,582	75,582
Disposal	(720)	-	(720)
Gain from fair value adjustment (Note 34)	9,945	-	9,945
At 31 December 2014	<u>483,780</u>	<u>254,033</u>	<u>737,813</u>
At 1 January 2013	1,144,503	167,020	1,311,523
Additions	-	11,431	11,431
Disposal of a subsidiary (Note 7(e))	(721,053)	-	(721,053)
Gain from fair value adjustment (Note 34)	51,105	-	51,105
At 31 December 2013	<u>474,555</u>	<u>178,451</u>	<u>653,006</u>

Investment properties under construction ("IPUC") are measured at cost due to the fair value of the IPUC cannot be determined reliably prior to their completion.

Interest expense capitalised during the financial year under IPUC amounted to RM6,445,000 (2013: Nil) as disclosed in Note 35.

	Group 2014 RM'000	2013 RM'000
Rental income derived from investment properties	30,010	32,553
Direct operating expenses (including repair and maintenance) of income generating properties	(5,089)	(5,423)
Profit arising from investment properties carried at fair value	<u>24,921</u>	<u>27,130</u>

Investment properties with an aggregate carrying amount of RM39,900,000 (2013: RM37,675,000) are held under lease terms.

Investment properties are stated at their fair value as at 31 December 2014. Valuations were performed by Henry Butcher Malaysia (SEL.) Sdn. Bhd. and PA International Consultants (KL) Sdn. Bhd., professional independent valuers in accordance with International Valuation Standards using Investment Method.

Investment properties with an aggregate carrying amount of RM438,276,000 (2013: RM431,276,000) are pledged as securities for borrowings as disclosed in Note 22. Subsequent to year end, investment properties with an aggregate carrying amount of RM254,033,000 were also pledged as borrowings.

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6. Investment properties (cont'd.)

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment properties are in Note 44(f).

Reconciliation of fair value:

	Group Investment properties		
	Office properties RM'000	Retail properties RM'000	Total RM'000
As at 1 January 2013	36,570	1,107,933	1,144,503
Remeasurement recognised in profit or loss	1,105	50,000	51,105
Disposal	-	(721,053)	(721,053)
As at 31 December 2013	<u>37,675</u>	<u>436,880</u>	<u>474,555</u>
Remeasurement recognised in profit or loss (in other operating income)	2,945	7,000	9,945
Disposal	(720)	-	(720)
As at 31 December 2014	<u>39,900</u>	<u>443,880</u>	<u>483,780</u>

Description of valuation techniques used and key inputs to valuation on investment properties:

	Valuation technique	Significant unobservable inputs	Range (weighted average)	
			2014	2013
Office properties	Investment method	Yield	6.25% - 6.50%	6.25% - 6.50%
Retail properties	Investment method	Capitalisation rate	6.25% - 6.50%	6.25% - 6.50%

The investment method entails determining the net annual income by deducting the annual outgoings from the gross annual income and capitalising the net income by suitable rate of return consistent with the type and quality of the investment to arrive at the market value of the subject property.

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7. Investments in subsidiaries

	Company	
	2014 RM'000	2013 RM'000 (Restated)
Unquoted shares, at cost	3,204,915	3,204,915
Arising from ESOS granted to subsidiaries' employees	8,512	7,105
	<u>3,213,427</u>	<u>3,212,020</u>

Details of the subsidiaries are as follows:

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest	
			2014 (%)	2013 (%)
WCT Berhad	Malaysia	Civil engineering, construction works and investment holding	100	100
WCT Land Sdn. Bhd.	Malaysia	Investment holding	100	100
Held by WCT Berhad:				
WCT Construction Sdn. Bhd.	Malaysia	Civil engineering and construction works	100	100
WCT Overseas Sdn. Bhd.	Malaysia	Investment holding	100	100
WCT Equity Sdn. Bhd.	Malaysia	Dormant	100	100
WCT Plantations Sdn. Bhd.	Malaysia	Dormant	100	100
WCT Green Sdn. Bhd.	Malaysia	Dormant	100	100
WCT Group Sdn. Bhd.	Malaysia	Dormant	100	100
WCT (Bahrain) W.L.L. ⁽²⁾	Kingdom of Bahrain	Provision of project management services	100	100
Cebarco-WCT W.L.L. ⁽¹⁾	Kingdom of Bahrain	Construction works	50	50

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7. Investments in subsidiaries (cont'd.)

Details of the subsidiaries are as follows: (cont'd.)

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest	
			2014 (%)	2013 (%)
Held by WCT Berhad: (cont'd.)				
WCT Engineering Vietnam Company Limited ⁽¹⁾	Vietnam	Dormant	100	100
BSC-WCT Company Limited (Note 7(a)) ⁽¹⁾	Vietnam	Dormant	67	67
WCT (S) Pte. Ltd. ⁽¹⁾	Singapore	Investment holding	100	100
Allied WCT L.L.C. ⁽¹⁾	Sultanate of Oman	Dormant	70	70
WCT Oman Roads L.L.C. ⁽¹⁾	Sultanate of Oman	Dormant	60	60
Held by WCT (S) Pte. Ltd.:				
WCT-DPN Company Limited ⁽¹⁾	Vietnam	Development and management	70	70
Held by WCT Construction Sdn. Bhd.:				
WCT Machinery Sdn. Bhd.	Malaysia	Hiring and repair of machineries	100	100
WCT Products Sdn. Bhd.	Malaysia	Trading of building materials	100	100
Intraxis Engineering Sdn. Bhd.	Malaysia	Construction work	60	60

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7. Investments in subsidiaries (cont'd.)

Details of the subsidiaries are as follows: (cont'd.)

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest	
			2014 (%)	2013 (%)
Held by WCT Land Sdn. Bhd.:				
Gemilang Waras Sdn. Bhd.	Malaysia	Property development	100	100
WCT Properties Sdn. Bhd.	Malaysia	Property investment and trading in properties	100	100
Gabungan Efektif Sdn. Bhd.	Malaysia	Property development	100	100
Labur Bina Sdn. Bhd.	Malaysia	Property development	100	100
WCT Land Resources Sdn. Bhd.	Malaysia	Investment holding	100	100
Camellia Tropicana Sdn. Bhd.	Malaysia	Property development	100	100
Atlanta Villa Sdn. Bhd.	Malaysia	Property development	100	100
WCT Hotel & Facilities Management Sdn. Bhd.	Malaysia	Property investment	100	100
WCT Property Management Sdn. Bhd.	Malaysia	Property management	100	100
Urban Courtyard Sdn. Bhd.	Malaysia	Property development	100	100
Platinum Meadow Sdn. Bhd.	Malaysia	Property development	100	100
WCT Premier Development Sdn. Bhd.	Malaysia	Investment holding	100	100

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7. Investments in subsidiaries (cont'd.)

Details of the subsidiaries are as follows: (cont'd.)

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest	
			2014 (%)	2013 (%)
Held by WCT Land Sdn. Bhd.: (cont'd.)				
WCT Assets Sdn. Bhd.	Malaysia	Dormant	100	100
WCT Realty Sdn. Bhd.	Malaysia	Dormant	100	100
Pioneer Acres Sdn. Bhd.	Malaysia	Property development	100	100
WCT Acres Sdn. Bhd.	Malaysia	Property development	100	100
Jubilant Courtyard Sdn. Bhd.	Malaysia	Property development	100	100
WCT Hartanah Jaya Sdn. Bhd.	Malaysia	Property investment	100	100
WCT Management (Beijing) Limited ⁽¹⁾ (Note 7(b))	China	Dormant	-	100
One Medini Sdn. Bhd.	Malaysia	Property development	100	100
WCT Pioneer Development Sdn. Bhd.	Malaysia	Dormant	100	100
WCT Precious Development Sdn. Bhd.	Malaysia	Dormant	100	100
WCT Phenomenon Development Sdn. Bhd.	Malaysia	Dormant	100	100
WCT Malls Management Sdn. Bhd. (Note 7(c))	Malaysia	Dormant	100	-

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7. Investments in subsidiaries (cont'd.)

Details of the subsidiaries are as follows: (cont'd.)

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest	
			2014 (%)	2013 (%)
Held by Labur Bina Sdn. Bhd.:				
Labur Bina Management Sdn. Bhd.	Malaysia	Maintenance and management services on developed property	100	100
Held by WCT Land Resources Sdn. Bhd.:				
BBT Mall Sdn. Bhd.	Malaysia	Building management in investment properties	100	100
BBT Hotel Sdn. Bhd.	Malaysia	Investment in hotel	100	100
Held by WCT Premier Development Sdn. Bhd.				
WCT OUG Development Sdn. Bhd.	Malaysia	Property development	100	100

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7. Investments in subsidiaries (cont'd.)

Details of the subsidiaries are as follows: (cont'd.)

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest	
			2014 (%)	2013 (%)
Held by WCT Overseas Sdn. Bhd.:				
WCT (International) Private Limited	Republic of Mauritius	Investment holding	100	100
Held by WCT (International) Private Limited:				
WCT (Offshore) Private Limited ⁽¹⁾	Republic of Mauritius	Investment holding	100	100
Held by WCT (Offshore) Private Limited:				
IWM Constructions Private Limited ⁽¹⁾	India	Engineering, procurement and construction	61.9	61.9
WCT Infrastructure (India) Private Limited ⁽¹⁾	India	Investment holding	99.9	99.9

Subsidiaries are audited by Ernst & Young Malaysia except for:

- (1) Audited by firms other than Ernst & Young
- (2) Audited by member firms of Ernst & Young Global

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7. Investments in subsidiaries (cont'd.)

(a) Dissolution of a subsidiary

On 26 February 2014, the Company received a decision letter from the Ho Chi Minh City People's Committee that the Investment Certificate (also act as Business License) dated 18 December 2007 granted to BSC-WCT Co., Ltd, an indirect 67% owned subsidiary of the Company, to undertake the proposed Platinum Plaza Development Project ("the Proposed Project") located in the Binh Chanh District, Ho Chi Minh City ("HCMC" or the "City"), Vietnam, has been revoked by the Ho Chi Minh City People's Committee.

In connection thereto, the Company will cease to proceed with the Proposed Project which has yet to commence as of to date and to proceed with the liquidation process on BSC-WCT Co., Ltd in accordance with the current laws and regulations of the Ho Chi Minh City People's Committee.

(b) De-registration of a subsidiary

On 7 May 2014, WCT Management (Beijing) Limited, a wholly owned foreign subsidiary in Beijing, China of WCT Land Sdn. Bhd. ("WCTL"), which in turn is a wholly-owned subsidiary of the Company, had completed all the de-registration procedures with the Beijing Administration of Industry and Commerce and is accordingly dissolved.

The de-registration of this subsidiary has no material impact to these financial statements.

(c) Acquisition of a new subsidiary

On 23 October 2014, WCTL has acquired two (2) ordinary shares of RM1.00 each at par representing the entire issued and paid-up share capital of WCT Malls Management Sdn. Bhd. ("WCTMM") for a total cash consideration of RM2.00.

WCTMM is a company incorporated in Malaysia which has an authorised share capital of RM400,000 and an issued and paid-up share capital of RM2.00 divided into 2 ordinary shares of RM1.00 each.

(d) Business combinations

There were no new business combinations during the financial year.

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7. Investments in subsidiaries (cont'd.)

(e) Disposal of a subsidiary in the previous financial year

In the previous financial year, WCTL disposed 48,000,000 ordinary shares of RM1.00 each in Jelas Puri Sdn. Bhd. ("JPSB"), representing 30% of the issued and paid-up share capital of JPSB to Employees Provident Fund Board for a total cash consideration of RM87,360,000. Upon the completion of the disposal, JPSB became a jointly controlled entity of WCTL.

Effect of changes in the composition of the Group

Details of the disposal were as follows:

	At the date of disposal RM'000
Property, plant and equipment	3,579
Investment properties	721,053
Land held for property development	182,339
Deferred taxation	6,696
Property development costs	44,229
Trade and other receivables	5,678
Cash and bank balances	6,948
Amount due to related parties	(322,293)
Trade and other payables	(19,843)
Term loan	(320,000)
Net assets	<u>308,386</u>
Net identifiable assets disposed @ 30%	92,516
Proceeds from disposal	(87,360)
Loss on disposal	<u>5,156</u>

The net cash flows on disposal was determined as follows:

Total proceeds from disposal – cash consideration	87,360
Cash and bank balances of subsidiary disposed	(6,948)
Cash inflow to the Group on disposal	<u>80,412</u>

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7. Investments in subsidiaries (cont'd.)

(f) Material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interest are provided below:

Proportion of equity interest held by non-controlling interest:

Name	Country of incorporation and operation	Group	
		2014	2013
Intraxis Engineering Sdn. Bhd. ("IESB")	Malaysia	40%	40%
Cebarco-WCT W.L.L. ("Cebarco WCT Bahrain")	Kingdom of Bahrain	50%	50%
Cebarco-WCT (Abu Dhabi) W.L.L. - Branch of Cebarco WCT Bahrain ("Cebarco WCT AD")	Abu Dhabi	-	50%

Group	
2014	2013
RM'000	RM'000

Accumulated balances of material non-controlling interest:

IESB	20,590	14,297
Cebarco WCT Bahrain	30,475	36,869
Cebarco WCT AD	-	(384)
Other individually immaterial non-controlling interest	1,697	1,273
	<u>52,762</u>	<u>52,055</u>

Total comprehensive income/(loss) allocated to material non-controlling interest:

IESB	6,293	617
Cebarco WCT Bahrain	(6,394)	(1,956)
Cebarco WCT AD	384	(3,494)
Other individually immaterial non-controlling interest	424	(70)
	<u>707</u>	<u>(4,903)</u>

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WCT Holdings Berhad
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7. Investments in subsidiaries (cont'd.)

(f) Material partly-owned subsidiaries (cont'd.)

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

**Summarised statement of
comprehensive income for 2014:**

	IESB RM'000	Cebarco WCT Bahrain RM'000	Cebarco WCT AD RM'000	Total RM'000
Revenue	46,723	545	-	47,268
Cost of sales	(26,831)	(3,567)	978	(29,420)
Other income	1,202	(5,783)	(215)	(4,796)
Administrative expenses	(91)	-	-	(91)
Profit/(loss) before tax	21,003	(8,805)	763	12,961
Income tax	(5,269)	-	-	(5,269)
Profit/(loss) for the year from continuing operations	15,734	(8,805)	763	7,692
Other comprehensive income/ (loss) for the year, net of tax	-	(3,982)	5	(3,977)
Total comprehensive income/(loss)	15,734	(12,787)	768	3,715
Attributable to:				
Non-controlling interest	6,293	(6,394)	384	283
Other individually immaterial non-controlling interest	-	-	-	424
	6,293	(6,394)	384	707

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WCT Holdings Berhad
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7. Investments in subsidiaries (cont'd.)

(f) Material partly-owned subsidiaries (cont'd.)

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations. (cont'd.)

Summarised statement of comprehensive income for 2013:

	IESB RM'000	Cebarco WCT Bahrain RM'000	Cebarco WCT AD RM'000	Total RM'000
Revenue	-	-	129	129
Cost of sales	141	(8,887)	(14,223)	(22,969)
Other income	1,732	(793)	7,106	8,045
Administrative expenses	(115)	-	-	(115)
Other expenses	(26)	-	-	(26)
Profit/(loss) before tax	1,732	(9,680)	(6,988)	(14,936)
Income tax	(190)	-	-	(190)
Profit/(loss) for the year from continuing operations	1,542	(9,680)	(6,988)	(15,126)
Other comprehensive income for the year, net of tax	-	5,768	-	5,768
Total comprehensive income/(loss)	1,542	(3,912)	(6,988)	(9,358)
Attributable to:				
Non-controlling interests	617	(1,956)	(3,494)	(4,833)
Other individually immaterial non-controlling interest	-	-	-	(70)
	617	(1,956)	(3,494)	(4,903)

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WCT Holdings Berhad
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7. Investments in subsidiaries (cont'd.)

(f) Material partly-owned subsidiaries (cont'd.)

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations. (cont'd.)

**Summarised statement of
financial position as at 31 December 2014:**

	IESB RM'000	Cebarco WCT Bahrain RM'000	Total RM'000
Trade and other receivables (current)	75,882	44,552	120,434
Inventories and cash and bank balances (current)	11,920	13,356	25,276
Tax payable	(2,050)	-	(2,050)
Trade and other payables (current)	(15,840)	(25,990)	(41,830)
Amount due (to)/from related parties (current)	(18,435)	29,033	10,598
Total equity	51,477	60,951	112,428
Attributable to:			
Non-controlling interest	20,590	30,475	51,065
Other individually immaterial non-controlling interest	-	-	1,697
Total non-controlling interest	20,590	30,475	52,762

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WCT Holdings Berhad
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7. Investments in subsidiaries (cont'd.)

(f) Material partly-owned subsidiaries (cont'd.)

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations. (cont'd.)

Summarised statement of financial position as at 31 December 2013:

	IESB RM'000	Cebarco WCT Bahrain RM'000	Cebarco WCT AD RM'000	Total RM'000
Trade and other receivables (current)	86,623	42,070	193	128,886
Inventories and cash and bank balances (current)	18,274	42,484	1,533	62,291
Provision for taxation	(684)	-	-	(684)
Property, plant and equipment and other non-current financial assets (non-current)	338	31,544	1,750	33,632
Trade and other payables (current)	(19,021)	(28,749)	(1,184)	(48,954)
Amount due to related parties (current)	(49,711)	(13,612)	(3,060)	(66,383)
Interest-bearing loans and borrowings and deferred tax liability (non-current)	(76)	-	-	(76)
Total equity	35,743	73,737	(768)	108,712
Attributable to:				
Non-controlling interest	14,297	36,869	(384)	50,782
Other individually immaterial non-controlling interest	-	-	-	1,273
Total non-controlling interest	14,297	36,869	(384)	52,055

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WCT Holdings Berhad
(Incorporated in Malaysia)

7. Investments in subsidiaries (cont'd.)

(f) Material partly-owned subsidiaries (cont'd.)

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations. (cont'd.)

**Summarised cash flow information
for year ended 31 December 2014:**

	IESB RM'000	Cebarco WCT Bahrain RM'000	Cebarco WCT AD RM'000
Operating	(6,391)	(54,508)	(3,028)
Investing	37	25,380	1,495
Financing	-	-	-
Net decrease in cash and cash equivalents	(6,354)	(29,128)	(1,533)

**Summarised cash flow information
for year ended 31 December 2013:**

Operating	(10,362)	(3,596)	(16,140)
Investing	5,797	6,225	11,391
Financing	-	-	-
Net (decrease)/increase in cash and cash equivalents	(4,565)	2,629	(4,749)

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WCT Holdings Berhad
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8. Investments in associates

	Group	
	2014 RM'000	2013 RM'000
Unquoted shares, at cost	67,983	72,352
Group's share of post acquisition profit and reserves	99,229	92,491
	<u>167,212</u>	<u>164,843</u>
Share application monies	3,194	5,992
Exchange difference	(38,045)	(43,251)
	<u>132,361</u>	<u>127,584</u>
Represented by:		
Group's share of net identifiable assets	<u>132,361</u>	<u>127,584</u>

Certain of the Group's associates issued redeemable and non-convertible debentures with a carrying amount of RM340,398,000 (2013: RM340,398,000) to repay their existing term loan facilities on 25 May 2010 and 14 September 2010. The debentures are secured by way of first charge in favour of the debenture trustee on the moveable assets of the associates, both present and future. The associates must maintain escrow account and liquidity reserve accounts until all the debentures are fully redeemed. The debentures are subject to certain financial covenants, which include requirements to maintain debt equity ratio of 1:1 and debt service coverage ratio of 1.2 times. The debentures are redeemable in 9 installments over 5 years based on scheduled maturity dates commencing from 12 months after the date of allotment. At the reporting date, the carrying amount of the debentures are RM44,965,000 (2013: RM96,906,000).

Details of the associates are as follows:

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest	
			2014 (%)	2013 (%)
Held by WCT Berhad:				
Khalid Abdulrahim Group WCT W.L.L.	Bahrain	Construction works	50	50

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8. Investments in associates (cont'd.)

Details of the associates are as follows: (cont'd.)

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest	
			2014 (%)	2013 (%)
Held by WCT (International) Private Limited:				
Gamuda-WCT (Offshore) Private Limited and its subsidiary	Republic of Mauritius	Investment holding: holding company to the concessionaire holder of an expressway	30	30
- Mapex Infrastructure Private Limited ("Mapex")	India	Highway concessionaire	30	30
Suria Holding (Offshore) Private Limited and its subsidiary	Republic of Mauritius	Investment holding: holding company to the concessionaire holder of an expressway	30	30
- Emas Expressway Private Limited ("Emas")	India	Highway concessionaire	30	30
Held by WCT (Offshore) Private Limited:				
Gamuda-WCT (India) Private Limited	India	Engineering, procurement and construction works	30	30

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8. Investments in associates (cont'd.)

Details of the associates are as follows: (cont'd.)

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest	
			2014 (%)	2013 (%)
Held by WCT Infrastructure (India) Private Limited:				
Perdana Highway Operations Private Limited	India	Investment holding	50	50

All associates have financial year end of 31 March, other than those incorporated in Republic of Mauritius, which have financial year end of 31 July and those incorporated in Bahrain, which have financial year end of 31 December. For the purpose of applying the equity method of accounting for associates with financial year ends of 31 March and 31 July, the last audited financial statements available and the management financial statements to the end of the accounting period of the associates have been used.

The associate requires the shareholders' consent to distribute its profits. The shareholders does not foresee giving such consent at the reporting date.

These associates have no material capital commitments as at 31 December 2013 or 2014.

These associates have reported a combined contingent liabilities of RM7,920,000 (2013: RM7,690,000) as at reporting date.

Redemption of cumulative redeemable preferences shares ("CRPS")

During the financial year, Gamuda-WCT (Offshore) Private Limited has redeemed CRPS held by WCT (International) Private Limited for a total cash consideration of RM4,369,000 (2013: Nil).

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8. Investments in associates (cont'd.)

The following table summarises the information of the Group's material associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates.

	Mapex RM'000	Emas RM'000	Other individually immaterial associates RM'000	Total RM'000
Non-current assets	150,696	118,611	214,959	484,266
Current assets	151,349	70,242	58,694	280,285
Total assets	<u>302,045</u>	<u>188,853</u>	<u>273,653</u>	<u>764,551</u>
Non-current liabilities	14,193	648	5,124	19,965
Current liabilities	88,602	43,689	24,486	156,777
Total liabilities	<u>102,795</u>	<u>44,337</u>	<u>29,610</u>	<u>176,742</u>
Net assets	<u>199,250</u>	<u>144,516</u>	<u>244,043</u>	<u>587,809</u>

2014

(i) Summarised statements of financial position

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8. Investments in associates (cont'd.)

2014 (cont'd.)

(ii) Summarised statements of profit or loss and other comprehensive income

	Mapex RM'000	Emas RM'000	Other individually immaterial associates RM'000	Total RM'000
Revenue	4,536	4,523	26,254	35,313
Finance income	36,274	24,935	-	61,209
Profit for the year	18,877	9,030	26,160	54,067
	59,775	43,355	10,117	113,247
	-	-	19,114	19,114
	59,775	43,355	29,231	132,361
	5,663	2,709	7,848	16,220
	-	-	(7,827)	(7,827)
	5,663	2,709	21	8,393
	-	-	1,655	1,655

(iii) Group's share of net assets, representing carrying amount of Group's interest in associates

Foreign exchange effect on investments in subsidiaries of associates

(iv) Group's share of results of associates

Profit for the year

Dividend received from subsidiaries of associates

(v) Dividend received from associates

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**WCT Holdings Berhad
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8. Investments in associates (cont'd.)

The following table summarises the information of the Group's material associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates. (cont'd.)

	Mapex RM'000	Emas RM'000	Swarna RM'000	Other individually immaterial associates RM'000	Total RM'000
Non-current assets	156,749	122,533	-	202,676	481,958
Current assets	171,745	75,739	-	56,006	303,490
Total assets	<u>328,494</u>	<u>198,272</u>	-	<u>258,682</u>	<u>785,448</u>
Non-current liabilities	34,988	10,225	-	4,811	50,024
Current liabilities	97,226	47,563	-	22,943	167,732
Total liabilities	<u>132,214</u>	<u>57,788</u>	-	<u>27,754</u>	<u>217,756</u>
Net assets	<u>196,280</u>	<u>140,484</u>	-	<u>230,928</u>	<u>567,692</u>

2013

(i) Summarised statements of financial position

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8. Investments in associates (cont'd.)

2013 (cont'd.)

(ii) Summarised statements of profit or loss and other comprehensive income

	Mapex RM'000	Emas RM'000	Swarna RM'000	Other individually immaterial associates RM'000	Total RM'000
Revenue	4,561	4,548	72,079	29,247	110,435
Finance income	36,474	25,071	-	-	61,545
Profit for the year	22,950	12,743	8,992	26,582	71,268

(iii) Group's share of net assets, representing carrying amount of Group's interest in associates
Foreign exchange effect on investments in subsidiaries of associates

	58,884	42,145	-	6,152	107,181
	-	-	-	20,403	20,403
	58,884	42,145	-	26,555	127,584

(iv) Group's share of results of associates

Profit for the year	6,885	3,823	2,347	7,975	21,030
Dividend received from subsidiaries of associates	-	-	-	(8,906)	(8,906)
	6,885	3,823	2,347	(931)	12,124

(v) Dividend received from associates

	-	-	-	6,508	6,508
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9. Investments in jointly controlled entities

(a) Investments in joint operations

Details of the incorporated/unincorporated joint operations are as follows:

Name of joint operations	Country of operations	Principal activities	Proportion of ownership interest	
			2014 (%)	2013 (%)
Held by WCT Berhad:				
Malaysia - China Hydro Joint Venture	Malaysia	Construction work	7.7	7.7
Gamuda Berhad - WCT Engineering Berhad Joint Venture	Qatar	Engineering and construction of a new highway from the town of Shahaniya to the existing Zekreet interchange near the Dukhan Industrial area in the state of Qatar	49	49
Sinohydro Corporation - Gamuda Berhad - WCT Engineering Berhad Joint Venture	Qatar	Design and construction of the airfield facilities, tunnel and detention pond of the New Doha International Airport in the state of Qatar	49	49
AES - WCT Joint Venture	Emirate of Dubai	Engineering and construction of infrastructure works	50	50
Arabtec Construction L.L.C. - WCT Engineering Joint Venture	Emirate of Dubai	Construction work	50	50
AES - WCT Contracting L.L.C.	Emirate of Dubai	Road, bridges and dam contracting	49	49

All joint operations are unincorporated except for AES - WCT Contracting L.L.C..

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9. Investments in jointly controlled entities (cont'd.)

(a) Investments in joint operations (cont'd.)

The Group's aggregate share of the current assets, non-current assets, current liabilities, non-current liabilities, income and expenses of the joint operations are as follows:

	Group	
	2014 RM'000	2013 RM'000
Assets and liabilities		
Current assets	20,672	24,403
Non-current assets	675,875	627,016
	<u>696,547</u>	<u>651,419</u>
Current liabilities	(473,887)	(434,079)
Non-current liabilities	(291,969)	(274,701)
	<u>(765,856)</u>	<u>(708,780)</u>
	<u>(69,309)</u>	<u>(57,361)</u>
Results		
Revenue	25	40,188
Expenses	(12,050)	(48,752)
Other income	77	17,761
(Loss)/profit before tax	(11,948)	9,197
Taxation	-	-
(Loss)/profit after tax	<u>(11,948)</u>	<u>9,197</u>

(b) Investments in joint ventures

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000 (Restated)
Unquoted shares, at cost	377,648	307,648	-	-
Group's share of post acquisition profits and reserves	14,900	7,911	-	-
Unrealised loss	2,600	-	-	-
Arising from ESOS granted to joint ventures' employees	236	135	236	135
	<u>395,384</u>	<u>315,694</u>	<u>236</u>	<u>135</u>

Represented by:

Group's share of net identifiable assets	<u>395,384</u>	<u>315,694</u>	<u>236</u>	<u>135</u>
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WCT Holdings Berhad
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9. Investments in jointly controlled entities (cont'd.)

(b) Investments in joint ventures (cont'd.)

Details of the joint ventures are as follows:

Name of joint ventures	Country of incorporation	Principal activities	Proportion of ownership interest	
			2014 (%)	2013 (%)
Held by WCT Land Sdn. Bhd.:				
Segi Astana Sdn. Bhd. ("Segi Astana")	Malaysia	Concession holder of an integrated complex	70	70
Jelas Puri Sdn. Bhd. ("Jelas Puri")	Malaysia	Property investment and development	70	70

The following table summarises the information of the Group's material joint ventures, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the joint ventures.

	Jelas Puri RM'000	Segi Astana RM'000	Total RM'000
2014			
(i) Summarised statements of financial position			
Non-current assets	1,056,480	631,575	1,688,055
Current assets	204,968	65,584	270,552
Total assets	1,261,448	697,159	1,958,607
Non-current liabilities	640,644	489,620	1,130,264
Current liabilities	151,411	112,098	263,509
Total liabilities	792,055	601,718	1,393,773
Net assets	469,393	95,441	564,834

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9. Investments in jointly controlled entities (cont'd.)

(b) Investments in joint ventures (cont'd.)

	Jelas Puri RM'000	Segi Astana RM'000	Total RM'000
2014 (cont'd.)			
(ii) Summarised statements of profit or loss and other comprehensive income			
Revenue	91,802	77,775	169,577
Profit/(loss) for the year	16,273	(6,288)	9,985
(iii) Group's share of net assets, representing carrying amount of Group's interest in joint ventures	328,575	66,809	395,384
(iv) Group's share of results of joint ventures	11,391	(4,402)	6,989
(v) Distribution of profits are subject to consents from the joint venture partners			
Share of capital commitment	87,954	-	87,954

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9. Investments in jointly controlled entities (cont'd.)

(b) Investments in joint ventures (cont'd.)

	Jelas Puri RM'000	Segi Astana RM'000	Total RM'000
2013			
(i) Summarised statements of financial position			
Non-current assets	788,994	623,832	1,412,826
Current assets	295,216	33,852	329,068
Total assets	<u>1,084,210</u>	<u>657,684</u>	<u>1,741,894</u>
Non-current liabilities	529,182	492,568	1,021,751
Current liabilities	205,273	63,879	269,152
Total liabilities	<u>734,455</u>	<u>556,447</u>	<u>1,290,903</u>
Net assets	<u>349,755</u>	<u>101,237</u>	<u>450,991</u>
(ii) Summarised statements of profit or loss and other comprehensive income			
Revenue	66,125	-	66,125
Profit/(loss) for the year	<u>16,320</u>	<u>(6,016)</u>	<u>10,304</u>
(iii) Group's share of net assets, representing carrying amount of Group's interest in joint ventures			
	<u>244,828</u>	<u>70,866</u>	<u>315,694</u>
(iv) Group's share of results of joint ventures			
Pre-acquisition profit	(136)	-	(136)
Total Group's share of results of joint ventures	<u>11,288</u>	<u>(4,211)</u>	<u>7,077</u>
(v) Distribution of profits are subject to consents from the joint venture partners			
Share of capital commitment	<u>73,538</u>	<u>3,035</u>	<u>76,573</u>

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10. Trade receivables

	Group	
	2014	2013
	RM'000	RM'000
Current		
Trade receivables	387,366	256,134
Accrued billings in respect of property development	182,259	104,533
Retention sum on contracts receivable within 1 year	114,722	166,168
Due from contract customers	213,443	202,117
	<u>897,790</u>	<u>728,952</u>
Less: Allowance for doubtful debts	(21,146)	(22,137)
	<u>876,644</u>	<u>706,815</u>
Non-current		
Trade receivables	148,085	115,106
Retention sum on contracts receivable after 1 year	247,794	184,497
Due from contract customers	258,049	242,787
	<u>653,928</u>	<u>542,390</u>
Total	<u>1,530,572</u>	<u>1,249,205</u>

Details of the Group's trade receivables subject to arbitration proceedings are disclosed in Note 48.

(a) Credit risk

The Group's primary exposure to credit risk arises from its trade receivables. The normal credit term ranges from 30 to 90 days (2013: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest bearing.

In determining the recoverability of contract customers and trade receivables, the Group considers any change in the credit quality of the contract and trade receivables from the date the credit was initially granted up to the reporting date. As at the reporting date, management has taken the current market conditions into account when assessing the credit quality of contract and trade receivables. The project directors also hold regular meetings with contract customers to renegotiate payment terms and to ensure the credit-worthiness of the ultimate end-users.

In view of the aforementioned and the fact that the Group's trade receivables are unrelated and in large number, there is no significant concentration of credit risk except as discussed below and in Note 48. Accordingly, after taking all pertinent considerations, the Directors believe that no further allowance is required in excess of the allowance for doubtful debts already made.

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10. Trade receivables (cont'd.)

(a) Credit risk (cont'd.)

The ageing of trade receivables as at the end of the financial year was:

	Gross RM'000	Individual impairment RM'000	Net RM'000
Group			
2014			
Not past due	778,225		778,225
Past due 0-30 days	22,818	-	22,818
Past due 31-120 days	10,842	-	10,842
Past due more than 120 days	86,082	(21,146)	64,936
	<u>897,967</u>	<u>(21,146)</u>	<u>876,821</u>
2013			
Not past due	606,498	-	606,498
Past due 0-30 days	1,721	-	1,721
Past due 31-120 days	9,016	-	9,016
Past due more than 120 days	104,670	(22,137)	82,533
	<u>721,905</u>	<u>(22,137)</u>	<u>699,768</u>

Movements of the allowance accounts are as follows:

	Group	
	2014 RM'000	2013 RM'000
At 1 January	22,137	9,617
Charge for the year	-	16,860
Reversal of impairment losses	(991)	(4,340)
At 31 December	<u>21,146</u>	<u>22,137</u>

Receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the Group's receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired are related to customers with good track records with the Group or those with ongoing transactions or progressive payments.

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10. Trade receivables (cont'd.)

(b) Due from contract customers

Details of the amounts due from/(to) contract customers are as follows:

	Group	
	2014	2013
	RM'000	RM'000
Aggregate costs incurred to date	17,026,303	19,243,479
Add: Attributable profits	908,377	1,289,669
Less: Foreseeable losses	(37)	(25)
	<u>17,934,643</u>	<u>20,533,123</u>
Less: Progress billings	(17,695,557)	(20,237,211)
	<u>239,086</u>	<u>295,912</u>
Represented by:		
Due from contract customers	471,492	444,904
Due to contract customers (Note 17)	(232,406)	(148,992)
	<u>239,086</u>	<u>295,912</u>
Contract revenue recognised during the financial year (Note 32)	1,151,959	1,108,119
Contract cost recognised during the financial year (Note 33)	<u>1,063,341</u>	<u>1,008,182</u>

The costs incurred to date on construction contracts include the following charges made during the financial year:

	Group	
	2014	2013
	RM'000	RM'000
Wages and salaries		
- direct	54,455	52,593
- seconded	-	1,493
Staff costs	18,941	15,891
Hiring of machineries	27,184	36,203
Rent of premises	181	2,204
Depreciation of property, plant and equipment	14,945	24,310
Property, plant and equipment written off	<u>35</u>	<u>-</u>

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11. Other receivables

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current				
Sundry receivables	17,937	26,666	139	864
Deposits	11,054	10,269	1	-
Payment for land acquisition and related costs	11,538	137,020	-	-
Advances to sub-contractors	118,014	114,028	-	-
Prepayments	1,816	798	1,009	85
Advances to non-controlling interest of subsidiaries	16,745	-	-	-
	<u>177,104</u>	<u>288,781</u>	<u>1,149</u>	<u>949</u>
Less: Allowance for doubtful debts	(9,461)	(4,788)	-	-
	<u>167,643</u>	<u>283,993</u>	<u>1,149</u>	<u>949</u>
Non-current				
Deposits	6,154	6,593	-	-
Sundry receivables	17,119	14,504	-	-
Advances to sub-contractors	65,074	61,225	-	-
Performance security deposit (Note 48)	211,868	199,337	-	-
	<u>300,215</u>	<u>281,659</u>	<u>-</u>	<u>-</u>
	<u>467,858</u>	<u>565,652</u>	<u>1,149</u>	<u>949</u>

On 20 October 2014, Jubilant Courtyard Sdn. Bhd., a wholly-owned subsidiary of the Group, entered into a sale and purchase agreement with Matad Sdn. Bhd. for the acquisition of freehold land held under Geran 284618, Lot 27504; Geran 93465, Lot 27506; Geran 34713, Lot 4455; Geran 34715, Lot 4456 with a total land area measuring approximately 823,267.98 square meter, located at Seksyen 20, Bandar Serendah, Daerah Ulu Selangor, Negeri Selangor for a total consideration of RM115,381,000. A deposit of RM11,538,000 was paid. Subsequently on 31 October 2014, WCT Pioneer Development Sdn. Bhd., a wholly-owned subsidiary of the Group, entered into a supplemental sales and purchase agreement with Matad Sdn. Bhd. and Jubilant Courtyard Sdn. Bhd. for the acceptance of transfer of freehold land held under Geran 284618, Lot 27504 Seksyen 20, Bandar Serendah, Daerah Ulu Selangor, Negeri Selangor with a total land area measuring approximately 202,313 square metres for a total consideration of RM26,132,000.

Upon the completion of the conditions precedent, these payments for land acquisition and related costs will be reclassified to land held for property development.

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CERTIFIED TRUE COPY**11. Other receivables (cont'd.)**

In the previous financial year, the Group entered into agreements to acquire lands for a total consideration of RM269,992,000 as follows:

- (i) On 29 October 2013, WCT Realty Sdn. Bhd., a wholly-owned subsidiary of the Group, entered into a conditional lease purchase agreement with Ibzi Development (Johor) Sdn. Bhd. for the acquisition of leasehold land identified as Plots B31 and B32, respectively held under PTD 183269 HS(D) 505988 and PTD 183270 HS(D) 505989 with a total land area measuring approximately 1,087,650 square feet in aggregate, located in Zone B, Medini, Mukim Pulai, Johor Bahru, Johor Darul Takzim, for a total purchase consideration of RM54,383,000.
- (ii) Platinum Meadow Sdn. Bhd., a wholly-owned subsidiary of the Group, entered into agreements with Global Capital and Development Sdn. Bhd. for the following acquisitions:
 - (aa) Asset purchase agreement on 14 December 2010 for the acquisition of leasehold lands in respect of building Plots B25, B26, B27 and B28, all held under master title PTD 154495 HS(D) 453628 with land area measuring approximately 15,361,434 square feet, located in Zone B, Medini, Mukim Pulai, Johor Bahru, Johor Darul Takzim, for a total purchase consideration of RM48,577,000; and
 - (bb) Lease purchase agreement on 22 August 2013 for the acquisition of leasehold lands in respect of building Plots B24, B29 and B30, respectively held under PTD 183262 HS(D) 505981, PTD 183267 HS(D) 505986 and PTD 183268 HS(D) 505987 with respective land area measuring approximately 26,749.51 square metres, located in Zone B, Medini, Mukim Pulai, Johor Bahru, Johor Darul Takzim, for a total purchase consideration of RM73,090,000.
- (iii) On 1 November 2012, WCT Acres Sdn. Bhd., a wholly-owned subsidiary of WCTL, which in turn is a wholly-owned subsidiary of the Company, entered into a conditional lease purchase agreement with Medini Land Sdn. Bhd. for the acquisition of leasehold land held under PTD 170707 HS(D) 484847 with a total land area measuring approximately 18.12 acres, located in Zone A, Medini, Mukim Pulai, Johor Bahru, Johor Darul Takzim, for a total purchase consideration of RM93,942,000.

The Group has paid RM137,020,000 deposits and land related costs in respect of these acquisitions.

These acquisitions of land were completed during the current financial year.

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11. Other receivables (cont'd.)

(a) Credit risk

Movements of the allowance accounts are as follows:

	Group	
	2014	2013
	RM'000	RM'000
At 1 January	4,788	3,984
Charge for the year	4,670	973
Reversal of impairment losses	(33)	(169)
Exchange differences	36	-
At 31 December	9,461	4,788

At the reporting date, the Group's maximum exposure to credit risk is represented by carrying amount of each class of financial assets recognised in the statements of financial position.

The Group's outstanding advances to sub-contractors in excess of 1 year as at 31 December 2014 amounted to RM35,229,000 (2013: RM59,852,000). The Directors, having considered all available information, are of the opinion that these debts are collectible in full and require no further allowance for doubtful debts. These advances will be recouped through deduction from work to be performed by sub-contractors.

Details of other receivables of the Group subject to arbitration proceedings are disclosed in Note 48.

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12. Due from/(to) related parties

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000 (Restated)
Due from related parties:				
Current				
Subsidiaries				
- current accounts				
- interest bearing	-	-	1,859,761	1,115,219
- non-interest bearing	-	-	7,087	14,542
Associates				
- non-interest bearing	1,213	1,107	-	-
Joint ventures				
- trade accounts				
- interest bearing	102,859	122,082	-	-
- non-interest bearing	34,890	16,681	-	-
- current accounts				
- interest bearing	75,331	109,084	-	-
- non-interest bearing	706	3,922	300	-
	<u>214,999</u>	<u>252,876</u>	<u>1,867,148</u>	<u>1,129,761</u>
Non-current				
Joint ventures				
- trade accounts				
- non-interest bearing	9,919	14,757	-	-
	<u>224,918</u>	<u>267,633</u>	<u>1,867,148</u>	<u>1,129,761</u>
Due to related parties:				
Current				
Subsidiaries				
- current accounts				
- interest bearing	-	-	(235,567)	(91,236)
- non-interest bearing	-	-	(1)	(6,799)
	<u>-</u>	<u>-</u>	<u>(235,568)</u>	<u>(98,035)</u>

Further details on related party transactions and information on financial risks are disclosed in Notes 40 and 44 respectively.

Amounts due from/(to) related parties are unsecured, bore interest ranging from 4.61% to 6.35% (2013: 4.61% to 6.10%) per annum during the financial year with credit terms of 15 days (2013: Repayable on demand) and are to be settled in cash.

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13. Deferred taxation

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
At 1 January	21,817	15,860	(420)	-
Recognised in the profit or loss (Note 37)	(7,867)	(1,211)	(3,842)	(420)
Disposal of a subsidiary	-	6,696	-	-
Recognised in equity	-	527	-	-
Exchange differences	5	(55)	-	-
At 31 December	<u>13,955</u>	<u>21,817</u>	<u>(4,262)</u>	<u>(420)</u>

Presented after appropriate offsetting as follows:

Deferred tax assets	(21,445)	(16,028)	(4,262)	(420)
Deferred tax liabilities	35,400	37,845	-	-
	<u>13,955</u>	<u>21,817</u>	<u>(4,262)</u>	<u>(420)</u>

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group:

	Provision for foreseeable losses RM'000	Other payables RM'000	Unused tax losses and unabsorbed capital allowances RM'000	Total RM'000
At 1 January 2014	(4)	(3,129)	(6,470)	(9,603)
Recognised in the profit or loss	-	(3,779)	(1,903)	(5,682)
Exchange differences	-	5	-	5
At 31 December 2014	<u>(4)</u>	<u>(6,903)</u>	<u>(8,373)</u>	<u>(15,280)</u>
At 1 January 2013	(9)	(1,385)	(16,670)	(18,064)
Recognised in the profit or loss	5	(1,721)	1,256	(460)
Disposal of a subsidiary	-	29	8,944	8,973
Exchange differences	-	(52)	-	(52)
At 31 December 2013	<u>(4)</u>	<u>(3,129)</u>	<u>(6,470)</u>	<u>(9,603)</u>

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13. Deferred taxation (cont'd.)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows (cont'd.):

Deferred tax liabilities of the Group:

	Land held for property development and property development costs RM'000	Revaluation RM'000	Accelerated capital allowances RM'000	Total RM'000
At 1 January 2014	(9,510)	9,514	31,416	31,420
Recognised in the profit or loss	(3,124)	235	704	(2,185)
At 31 December 2014	<u>(12,634)</u>	<u>9,749</u>	<u>32,120</u>	<u>29,235</u>
At 1 January 2013	(3,260)	1,494	35,690	33,924
Recognised in the profit or loss	(9,498)	7,493	1,254	(751)
Disposal of a subsidiary	3,248	-	(5,525)	(2,277)
Recognised in equity	-	527	-	527
Exchange differences	-	-	(3)	(3)
At 31 December 2013	<u>(9,510)</u>	<u>9,514</u>	<u>31,416</u>	<u>31,420</u>

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Deferred tax assets of the Company:

	Other payables RM'000
At 1 January 2014	(420)
Recognised in the profit or loss	(3,842)
Exchange differences	-
At 31 December 2014	<u>(4,262)</u>
At 1 January 2013	-
Recognised in the profit or loss	(420)
At 31 December 2013	<u>(420)</u>

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14. Inventories

	Group	
	2014	2013
	RM'000	RM'000
Consumable stocks, at cost	666	607
Properties held for sale, at cost	85,448	70,269
Properties held for sale, at net realisable value	4,596	4,699
	<u>90,710</u>	<u>75,575</u>
Costs of inventories recognised as an expense	<u>59,367</u>	<u>71,560</u>

Certain properties held for sale with an aggregate carrying amount of RM6,661,000 (2013: RM7,744,000) is in the process of being registered in the respective subsidiaries' names.

15. Marketable securities

	Group	
	2014	2013
	RM'000	RM'000
Current		
At fair value		
Marketable securities	<u>-</u>	<u>65,721</u>

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16. Cash and bank balances

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Deposits:				
With licensed banks ^{(a) and (b)}	814,076	639,860	181,696	471,548
With a licensed bank held under Finance Service Reserve Account ^(c)	-	102,274	-	-
With a licensed bank (restricted) ^(d)	770	770	-	-
	<u>814,846</u>	<u>742,904</u>	<u>181,696</u>	<u>471,548</u>
Cash and bank balances	83,135	92,555	11,788	1,084
Cash held under Housing Development Accounts ^(e)	52,860	137,944	-	-
	<u>135,995</u>	<u>230,499</u>	<u>11,788</u>	<u>1,084</u>
Total cash and bank balances	<u>950,841</u>	<u>973,403</u>	<u>193,484</u>	<u>472,632</u>

(a) The maturities of the deposits are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Less than 3 months	813,916	639,704	181,696	471,548
More than 3 months but less than 1 year	160	156	-	-
	<u>814,076</u>	<u>639,860</u>	<u>181,696</u>	<u>471,548</u>

(b) Deposits with licensed banks of the Group amounting to RM11,052,000 (2013: RM13,994,000) are pledged to banks to secure banking facilities.

(c) Designated for the payment of profit element of the unsecured IMTN as disclosed in Note 24.

(d) This is negotiable certificate of deposit which has been placed with a licensed bank for bank guarantee facilities extended to a joint operation.

(e) The cash held under Housing Development Accounts are amounts held pursuant to Section 7A of the Housing Developers (Control and Licensing) Act, 1966 and are therefore restricted from use in other operations.

Other information on financial risks of cash and bank balances are disclosed in Note 44.

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CERTIFIED TRUE COPY**17. Trade payables**

	Group	
	2014 RM'000	2013 RM'000
Current		
Trade payables	461,490	297,996
Accrued billings	-	17,371
Retention sum payable within 1 year	141,586	151,440
Due to contract customers (Note 10(b))	232,406	148,992
	<u>835,482</u>	<u>615,799</u>
Non-current		
Trade payables	4,765	4,483
Retention sum payable after 1 year	84,614	61,333
	<u>89,379</u>	<u>65,816</u>
Total	<u>924,861</u>	<u>681,615</u>

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2013: 30 to 90 days).

Details of trade payables subject to arbitration proceedings are disclosed in Note 48.

18. Other payables

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current				
Sundry payables	7,678	14,988	45	25
Accruals	50,597	73,506	21,042	13,014
Provision for foreseeable losses ^(a)	11,733	22,250	-	-
Advances received from customers on contracts	80,709	24,342	-	-
Advances from a non-controlling interest of subsidiaries - non-interest bearing	6,770	35,585	-	-
Advances from shareholders of joint ventures - non-interest bearing	35,264	33,316	-	-
Others	14,778	22,941	248	-
	<u>207,529</u>	<u>226,928</u>	<u>21,335</u>	<u>13,039</u>

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18. Other payables (cont'd.)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Non-current				
Sundry payables	219,349	209,820	-	-
Advances received from customers on contracts	103,163	180,459	-	-
Others	5,858	-	-	-
	<u>328,370</u>	<u>390,279</u>	<u>-</u>	<u>-</u>
	<u>535,899</u>	<u>617,207</u>	<u>21,335</u>	<u>13,039</u>

All amounts due under other payables are unsecured, non-interest bearing and are repayable on demand except for those classified as non-current. All amounts are to be settled in cash except for the advances on contracts which will be set off against progress billings to customers.

Details of other payables subject to arbitration proceedings are disclosed in Note 48.

(a) Movements in the provision for foreseeable losses are as follows:

	Group	
	2014 RM'000	2013 RM'000
At 1 January	22,250	34,812
Charge for the year	1,988	-
Write-off	(12,505)	-
Reversal made during the year	-	(12,562)
At 31 December	<u>11,733</u>	<u>22,250</u>

During the year, the provision for foreseeable losses was reduced as a result of additional variation orders approved and paid by Sarawak Hidro Sdn. Bhd. to a joint operation.

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19. Borrowings

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current					
Secured:					
Hire purchase payables	20	7	124	-	-
Revolving credits	21	88,000	-	-	-
Term loans	22	21,600	12,000	-	-
		<u>109,607</u>	<u>12,124</u>	<u>-</u>	<u>-</u>
Unsecured:					
Bank overdrafts	23	5,429	2,679	-	-
Revolving credits	21	43,049	-	-	-
Islamic Medium Term Notes ("IMTN")	24	100,000	300,000	100,000	300,000
Serial Fixed Rate Bonds ("Bonds")	25	292,385	-	292,385	-
Term loans	22	33,642	54,265	-	-
		<u>474,505</u>	<u>356,944</u>	<u>392,385</u>	<u>300,000</u>
		<u>584,112</u>	<u>369,068</u>	<u>392,385</u>	<u>300,000</u>
Non-current					
Secured:					
Hire purchase payables	20	-	7	-	-
Term loans	22	246,400	268,000	-	-
		<u>246,400</u>	<u>268,007</u>	<u>-</u>	<u>-</u>
Unsecured:					
Serial Fixed Rate Bonds ("Bonds")	25	-	285,065	-	285,065
Medium Term Notes ("MTN")	26	1,000,000	1,000,000	1,000,000	1,000,000
Sukuk Murabahah	27	600,000	-	600,000	-
		<u>1,600,000</u>	<u>1,285,065</u>	<u>1,600,000</u>	<u>1,285,065</u>
		<u>1,846,400</u>	<u>1,553,072</u>	<u>1,600,000</u>	<u>1,285,065</u>

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19. Borrowings (cont'd.)

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Total borrowings					
Hire purchase payables	20	7	131	-	-
Bank overdrafts	23	5,429	2,679	-	-
Revolving credits	21	131,049	-	-	-
Term loans	22	301,642	334,265	-	-
Islamic Medium Term Notes ("IMTN")	24	100,000	300,000	100,000	300,000
Serial Fixed Rate Bonds ("Bonds")	25	292,385	285,065	292,385	285,065
Medium Term Notes ("MTN")	26	1,000,000	1,000,000	1,000,000	1,000,000
Sukuk Murabahah	27	600,000	-	600,000	-
		<u>2,430,512</u>	<u>1,922,140</u>	<u>1,992,385</u>	<u>1,585,065</u>

Other information on the borrowings are disclosed in Note 44.

20. Hire purchase payables

	Group	
	2014 RM'000	2013 RM'000
Future minimum lease payments:		
Not later than 1 year	7	128
Later than 1 year and not later than 2 years	-	7
Total future minimum lease payments	<u>7</u>	<u>135</u>
Less: Future finance charges	-	(4)
Present value of finance lease liabilities	<u>7</u>	<u>131</u>

	Group	
	2014 RM'000	2013 RM'000
Analysis of present value of hire purchase payables:		
Not later than 1 year	7	124
Later than 1 year and not later than 2 years	-	7
	<u>7</u>	<u>131</u>
Less: Amount due within 12 months	(7)	(124)
Amount due after 12 months	<u>-</u>	<u>7</u>

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21. Revolving credits

	Group	
	2014	2013
	RM'000	RM'000
Secured		
Revolving credits	88,000	-
Unsecured		
Revolving credits	43,049	-
	<u>131,049</u>	<u>-</u>

The secured revolving credits are secured on the same terms as Term loan I as mentioned in Note 22 and bore interest of 1% (2013: Nil) per annum over the bank's cost of funds.

The unsecured revolving credit bears interest at rates ranging from 4.69% to 7.00% (2013: Nil) per annum. Interest accrues from the utilisation date to the date of repayment or prepayment of that utilisation. All accrued interest is payable on the last day of each term.

22. Term loans

	Group	
	2014	2013
	RM'000	RM'000
Secured		
Term loan I	268,000	280,000
Unsecured		
Term loan II	33,642	54,265
Total term loans	<u>301,642</u>	<u>334,265</u>

The term loans are repayable as follows:

	Group	
	2014	2013
	RM'000	RM'000
Not later than 1 year	55,242	66,265
Later than 1 year and not later than 2 years	21,600	21,600
Later than 2 years and not later than 5 years	224,800	246,400
	<u>301,642</u>	<u>334,265</u>
Less: Amount due within 12 months	(55,242)	(66,265)
Amount due after 12 months	<u>246,400</u>	<u>268,000</u>

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22. Term loans (cont'd.)

Term loan I together with the revolving credits as mentioned in Note 21 are secured by way of a fixed charge over the freehold land owned by two subsidiaries, debentures over an investment property owned by a subsidiary ("the Mall") as well as a hotel owned by another subsidiary (the "Hotel") as disclosed in Notes 4 and 6. The term loan I is also secured by the legal assignment of all the rights, title and benefits of the lease agreement of the Mall, the legal assignment of the lease payment received account and operating account of the Mall and the Hotel, the car park collection of the Mall and the legal assignment of insurance of the Mall and the Hotel. The subsidiaries must maintain a combined minimum security cover ratio of 1.25 times of the market value of the freehold lands of the Mall and the Hotel. The term loan I is repayable in monthly instalments over 5 years based on scheduled repayment commencing from January 2013. This loan bears interest of 4.98% (2013: 4.98%) per annum.

The short term loan II has been taken from a financial institution in Qatar to finance the projects of the Qatar Branch. This loan carries finance costs at commercial rate of 5.5%. The loan has a maturity period of 6 months and will be due in April 2015.

23. Bank overdrafts

	Group	
	2014	2013
	RM'000	RM'000
Unsecured	5,429	2,679

The unsecured bank overdrafts of the subsidiaries are guaranteed by the Company.

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24. Islamic Medium Term Notes ("IMTN")

	Group/Company	
	2014	2013
	RM'000	RM'000
IMTN I	100,000	200,000
IMTN II	-	100,000
	<u>100,000</u>	<u>300,000</u>

The IMTNs are repayable as follows:

Not later than 1 year	<u>100,000</u>	<u>300,000</u>
-----------------------	----------------	----------------

IMTN I

The IMTN are constituted by a Trust Deed dated 2 April 2008.

The issuance of the IMTN Programme of up to RM300 million are under the financing principles of Musyarakah.

The IMTN Programme has a tenure of up to 7 years from the date of the first issuance. IMTN have maturity periods of more than 1 year and up to 7 years.

The IMTN may be non-profit bearing or bear profit at a rate determined at the point of issuance. IMTN's profit is payable semi-annually in arrears from the date of issue of the IMTN with the last profit payment due on maturity dates.

The IMTN contains a financial covenant to maintain a net gearing ratio of 1.75 times.

The terms of the Trust Deed prescribe that in the event of default, the outstanding amount of the IMTN and the profit element next due will become immediately due and payable.

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24. Islamic Medium Term Notes ("IMTN") (cont'd.)

IMTN I (cont'd.)

On 14 June 2012, WCTB drawn down RM200 million of the IMTN under the IMTN Programme with the tenure of 2 years from issue date. The maturity date of the IMTN is 13 June 2014 and yield to maturity at issuance date was 4.05%.

On 27 June 2014, WCTB drawn down RM100 million of the IMTN under the IMTN Programme with the tenure of 9 months from issue date. The maturity date of the IMTN is 27 March 2015 and yield to maturity at issuance date was 3.88%.

The IMTN shall have a limit of RM300 million in nominal value and shall be made available to the Issuer based on the Islamic principles of Musyarakah.

IMTN II

The IMTN are constituted by a Trust Deed dated 11 August 2005.

The issuance of the IMTNs under the Syariah principles of Murabahah and/or Ijarah of which the outstanding CPs and Primary IMTNs shall not exceed at any time the sum of RM100 million.

The IMTNs have maturity days for a period of 1 year or more and up to 7 years.

The IMTNs profit is payable semi-annually in arrears and shall commence 6 months from the date of issue of the IMTN.

The terms of the IMTN contain various covenants, including the following:

- (i) The Company must maintain a Syariah-Compliant Finance Service Reserve Account ("FSRA") at any time during the tenure of the IMTN which is equivalent to the minimum required balance as follows:
 - (a) in respect of IMTN which the profit payment due in the next 6 months commencing from the issuance date; and
 - (b) an amount equivalent to 50% and 100% of the principal amount due not later than 3 months and 1 month respectively from the respective due dates.

On 19 July 2012, WCTB drawn down RM100 million of the IMTN under the IMTN Programme with the tenure of 1.5 years from issue date. The maturity date of the IMTN is 17 January 2014 and yield to maturity at issuance date was 3.98%.

The novation of the IMTNs to the Company from WCTB pursuant to the internal reorganisation exercise was completed on 14 October 2013.

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25. Serial Fixed Rate Bonds ("Bonds")

	Group/Company	
	2014	2013
	RM'000	RM'000
The Bonds are repayable as follows:		
Not later than 1 year	292,385	-
Later than 1 year and not later than 2 years	-	285,065
	<u>292,385</u>	<u>285,065</u>
Less: Amount due within 12 months	(292,385)	-
Amount due after 12 months	<u>-</u>	<u>285,065</u>

WCTB issued RM600 million of Bonds in December 2010 in 2 series and have tenures of 3 and 5 years with 157,935,129 rights to allotment of warrants on a bought deal basis to the Primary Subscriber. All Bonds were issued in one lump sum at a discount to their nominal value and redemption is at nominal value of Bonds.

Upon issuance, the Primary Subscriber detached the provisional rights to allotment of warrants and placed out only the Bonds to secondary investors. The Primary Subscriber or the Offeror offered the provisional rights to the allotment of the warrants for sale to the existing shareholders of the Company on the basis of 1 provisional right allotment to 1 warrant for every 5 WCTB shares held on at an offer price of RM0.34 per warrant.

The coupon is 2.50% per annum and payable semi-annually in arrears commencing 6 months after the issue date. The yield to maturity was in the range of 4.90% to 5.10%. The Bonds are direct, unconditional, unsecured and unsubordinated.

The novation of the Bonds to the Company from WCTB pursuant to the internal reorganisation exercise was completed on 14 October 2013.

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26. MTN Programme ("MTN")

Group/Company	
2014	2013
RM'000	RM'000

The MTNs are repayable as follows:

Later than 2 years and not later than 5 years	200,000	200,000
Later than 5 years	800,000	800,000
Amount due after 12 months	<u>1,000,000</u>	<u>1,000,000</u>

On 27 March 2013, WCTB ("Issuer") established a MTN Program of up to RM1.0 billion in nominal value for the issuance of MTNs to principally fund the Group working capital requirements, capital expenditure, investments specific to the Group's core businesses and/or refinancing of the Group's existing borrowings. The outstanding nominal value of MTNs issued under the MTN Program, in aggregate, shall not exceed RM1.0 billion at any point in time. Any amount of MTNs redeemed shall be capable of being re-issued subject to the issue size and maturity of the new issues not exceeding the limit and tenure of the MTN Programme.

The MTN Programme have a tenure of up to 15 years from the date of first issuance of the MTNs provided that the first issue of the MTNs shall be no later than 2 years from the date of Securities Commission Malaysia's approval of the MTN Program. The MTNs may be issued for tenures of more than 1 year and up to 15 years from the date of issuance, at the option of the Issuer, provided always that no MTNs shall mature beyond the tenure of the MTN Program.

The MTNs was issued via bought deal basis.

The obligations represented by the MTNs shall constitute direct, unsecured, unconditional and unsubordinated obligations of the Company under the laws of Malaysia and rank at least *pari passu* with all unsecured obligations of the Issuer (except those obligations preferred by applicable laws).

On 9 April 2013, WCTB drawn down RM200 million and RM300 million of the MTN under the MTN Program with tenures of 5 years and 7 years respectively. The maturity date of the MTN is 9 April 2018 and 9 April 2020 and yield to maturity at issuance date was 4.20% and 4.40% respectively.

On 30 August 2013, WCTB drawn down RM500 million of the MTN under the MTN Program with a tenure of 7 years from issue date. The maturity date of the MTN is 28 August 2020 and yield to maturity at issuance date was 4.60%.

The novation of the MTN to the Company from WCTB pursuant to the internal reorganisation exercise was completed on 14 October 2013.

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27. Sukuk Murabahah Programme

Group/Company	
2014	2013
RM'000	RM'000

The Sukuk Murabahah are repayable as follows:

Later than 5 years, representing amount
due after 12 months

600,000	-
---------	---

On 25 September 2014, the Company established a Sukuk Murabahah Programme for the issuance of Sukuk ("Sukuk Murabahah") based on the Shariah principle of Murabahah involving Shariah-compliant commodities of up to RM1.5 billion in nominal value ("Sukuk Murabahah Programme").

The Sukuk Murabahah were constituted by a Trust Deed dated 13 October 2014 between the Company and the Trustee for the holders of the Sukuk Murabahah.

The Sukuk Murabahah Programme shall have tenure of 15 years from the date of first issue of the Sukuk Murabahah provided that the first issuance of Sukuk Murabahah shall be made no later than 2 years from the date of the Securities Commission Malaysia's approval and authorisation of the Sukuk Murabahah Programme. Each Sukuk Murabahah shall be issued for tenures of more than 1 year and up to fifteen 15 years from the date of issuance, at the option of the Company, provided always that no Sukuk Murabahah shall mature beyond the tenure of the Sukuk Murabahah Programme.

The Sukuk Murabahah will be issued via book-building, private placement or bought deal basis.

Proceeds from the issuance of the Sukuk Murabahah will be utilised for the following purposes which are Shariah-compliant:

- (i) To fund WCT Group's working capital requirements, capital expenditure and investments specific to WCT Group's principal activities, excluding the construction or acquisition of hotel(s);
- (ii) Refinancing of WCT Group's existing borrowings;
- (iii) To fund the Trustee's Reimbursement Account; and/or
- (iv) To defray fees and expenses incurred in relation to the Sukuk Murabahah Programme.

The Company issued RM600 million of Sukuk Murabahah on 23 October 2014 under the Shariah principle of Murabahah in 3 series and have tenures of 7, 8 and 9 years.

The profits are 4.95%, 5.05% and 5.17% per annum respectively and payable semi-annually in arrears commencing 6 months after the issue date.

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**WCT Holdings Berhad
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During the financial year, the Company increased its issued and paid-up ordinary share capital from RM546,231,457.50 to RM546,276,182.00, by way of:

- (i) issuance of 73,000 new ordinary shares of RM0.50 each pursuant to the exercise of the ESOS 2013/2023 at the exercise prices ranging between RM2.05 and RM2.15 per ordinary share; and
- (ii) issuance of 16,449 ordinary shares of RM0.50 each pursuant to the conversion of Warrants 2013/2016 and Warrants 2013/2017 at exercise prices ranging between RM2.04 and RM2.25 per ordinary share for cash.

The new ordinary shares rank pari passu in all respects with the existing ordinary shares.

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

(b) Treasury shares

During the financial year, the Company repurchased a total of 25,775,800 of its issued ordinary shares from the open market at an average price of RM1.96 per share. The total consideration paid for the repurchase including transaction costs was RM50,587,431. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

A total of 10,809,930 treasury shares were distributed as share dividend on 10 October 2014 on the basis of 1 treasury share for every 100 ordinary shares of RM0.50 each held in the Company, fractions of treasury shares being disregarded.

As at 31 December 2014, the Company held 14,965,870 treasury shares with a carrying amount of RM27,266,268.

None of the treasury shares held were resold or cancelled during the financial year under review.

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28. Share capital (cont'd.)

(c) Employee share options scheme 2012/2022 ("ESOS 2012/2022")

WCT Berhad's ("WCTB") ESOS 2012/2022 is governed by the By-Laws which was approved by the shareholders at the Extraordinary General Meeting held on 16 May 2012.

The salient terms of the ESOS 2012/2022 are as follows:

- (i) Subject to the ESOS By-Laws, the maximum number of options granted under the ESOS 2012/2022 shall not exceed 10% of the total issued and paid-up share capital comprising ordinary shares of WCTB at any time throughout the duration of the scheme which shall be in force for a period of 10 years commencing from 2 July 2012 ("ESOS Option Period");
- (ii) Any employee and Directors of the Group shall be eligible to participate in the ESOS 2012/2022 if, as at the date of the ESOS 2012/2022 offer, the employee:
 - (aa) has attained the age of 18 years;
 - (bb) is employed by and on the payroll of a company within the Group; and
 - (cc) has been in the employment of the Group for a period of at least 1 year of continuous service prior to and up to the offer date, including service during the probation period, and is confirmed in service.

The Options Committee may with its power under the ESOS By-Laws, nominate any employee (including Executive Directors) of the Group to be an Eligible Employee notwithstanding that the eligibility criteria as stated in (c) (ii) (cc) above is not met.

Subject to the fulfilment of additional eligibility criteria under the ESOS By-Laws, no employee shall participate at anytime in more than 1 employee share option scheme implemented by any company within the Group;

- (iii) Not more than 50% of the Options available under the ESOS 2012/2022 shall be allocated, in aggregate, to Directors and Senior Management of the Group;
- (iv) Not more than 10% of the Options available under the ESOS 2012/2022 shall be allocated, to any individual Director or Eligible Employee who, either individually or collectively through persons connected with the Directors or employees, holds 20% or more in the issued and paid-up share capital of WCTB;

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28. Share capital (cont'd.)

(c) Employee share options scheme 2012/2022 ("ESOS 2012/2022") (cont'd.)

The salient terms of the ESOS 2012/2022 are as follows: (cont'd.)

- (v) The option price for subscription of each share shall be at a discount of not more than 10% from the weighted average market price of WCTB's shares traded on Bursa Securities for the 5 market days preceding the date of offer, or the par value of the shares of WCTB of RM0.50 each, whichever is the higher;
- (vi) Subject to any adjustments that may be made under the ESOS By-Laws, no options shall be granted for less than 100 shares of the Company but not more than the maximum allowable allotment as set out in the ESOS By-Laws;
- (vii) Subject to the ESOS By-Laws, the Options Committee may with its power under the ESOS By-Laws, at any time and from time to time, before or after an ESOS Option is granted, limit the exercise of the ESOS Option to a maximum number of new shares of WCTB and/or such percentage of the total new shares of WCTB comprised in the ESOS Option during such periods within the ESOS Option Period and impose any other terms and/or conditions deemed appropriate by the Options Committee in its sole discretion including amending/varying any terms and conditions imposed earlier;
- (viii) An ESOS 2012/2022 offer may be made upon such terms and conditions as the Options Committee may decide from time to time. Each ESOS 2012/2022 offer shall be made in writing and is personal to the Eligible Employee and cannot be assigned, transferred, encumbered or otherwise disposed off in any manner whatsoever; and
- (ix) Subject to the ESOS By-Laws, an ESOS Option can be exercised by the Grantee, by notice in writing to WCTB in the form prescribed by the Options Committee during the ESOS Option Period in respect of all or any parts of the new shares in the ESOS Option.

Pursuant to the internal reorganisation exercises of the Company and WCTB, the ESOS 2012/2022 was terminated on 1 July 2013 and all the unexercised Option automatically lapsed after 1 July 2013.

28. Share capital (cont'd.)

(c) Employee share options scheme 2012/2022 ("ESOS 2012/2022") (cont'd.)

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options during the previous financial year:

	Number of Share Options					
	Outstanding at 1 January '000	Granted '000	Movement During the Year (Exercised) '000	Forfeited '000	Outstanding at 31 December '000	Exercisable at 31 December '000
2013						
Grant date						
2 July 2012	6,718	-	(6,351)	(367)	-	-
WAEP (RM)	1.63	-	1.63	1.63	-	-

* Exercise
Price
RM

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28. Share capital (cont'd.)**(c) Employee share options scheme 2012/2022 ("ESOS 2012/2022") (cont'd.)****(i) Details of share options outstanding at the end of the previous financial year:**

	WAEP RM	Exercise period
2013		
Date granted		
2 July 2012	1.63	02.07.2012 - 30.06.2013

(ii) Share options exercised during the previous financial year

Options exercised in the previous financial year resulted in the issuance of 6,350,900 ordinary shares of RM0.50 each at an average share price of RM1.63. The related weighted average share price at the date of exercise was RM2.29.

(iii) Fair value of share options granted during the previous financial year

The fair value of share options granted was estimated using a binomial model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions are as follows:

	2 July 2012
Fair value of share options at grant date (RM)	0.54
Weighted average share price (RM)	2.41
Weighted average exercise price (RM)	2.201
Expected volatility (%)	28.03%
Expected life (year)	1.00
Risk free rate (%)	3.42%
Expected dividend yield (%)	3.87%

The expected life of the share options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome. No other features of the option was incorporated into the measurement of fair value.

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28. Share capital (cont'd.)**(d) Employee share options scheme 2013/2023 ("ESOS 2013/2023")**

The Company's ESOS 2013/2023 is governed by the By-Laws which was approved by the shareholders at the Extraordinary General Meeting held on 26 April 2013.

The salient terms of the ESOS 2013/2023 are as follows:

- (i) Subject to the ESOS By-Laws, the maximum number of options granted under the ESOS 2013/2023 shall not exceed 10% of the total issued and paid-up share capital comprising ordinary shares of the Company at any time throughout the duration of the scheme which shall be in force for a period of 10 years commencing from 30 August 2013 ("ESOS Option Period");
- (ii) Any employee and Directors of the Group shall be eligible to participate in the ESOS 2013/2023 if, as at the date of the ESOS 2013/2023 offer, the employee:
 - (aa) has attained the age of 18 years;
 - (bb) is employed by and on the payroll of a company within the Group; and
 - (cc) has been in the employment of the Group for a period of at least 1 year of continuous service prior to and up to the offer date, including service during the probation period, and is confirmed in service.

The Options Committee may with its power under the ESOS By-Laws, nominate any employee (including Executive Directors) of the Group to be an Eligible Employee notwithstanding that the eligibility criteria as stated in (d) (ii) (cc) above is not met.

Subject to the fulfilment of additional eligibility criteria under the ESOS By-Laws, no employee shall participate at anytime in more than 1 employee share option scheme implemented by any company within the Group;

- (iii) Not more than 10% of the Options available under the ESOS 2013/2023 shall be allocated, to any individual Director or Eligible Employee who, either individually or collectively through persons connected with the Directors or employees, holds 20% or more in the issued and paid-up share capital of the Company;
- (iv) The option price for subscription of each share shall be at a discount of not more than 10% from the weighted average market price of the Company's shares traded on Bursa Malaysia Securities Berhad for the 5 market days preceding the date of offer, or the par value of the shares of the Company of RM0.50 each, whichever is the higher;
- (v) Subject to any adjustments that may be made under the ESOS By-Laws, no options shall be granted for less than 100 shares of the Company but not more than the maximum allowable allotment as set out in the ESOS By-Laws;

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28. Share capital (cont'd.)

(d) Employee share options scheme 2013/2023 ("ESOS 2013/2023") (cont'd.)

The salient terms of the ESOS 2013/2023 are as follows: (cont'd.)

- (vi) Subject to the ESOS By-Laws, the Options Committee may with its power under the ESOS By-Laws, at any time and from time to time, before or after an ESOS Option is granted, limit the exercise of the ESOS Option to a maximum number of new shares of the Company and/or such percentage of the total new shares of the Company comprised in the ESOS Option during such periods within the ESOS Option Period and impose any other terms and/or conditions deemed appropriate by the Options Committee in its sole discretion including amending/varying any terms and conditions imposed earlier;
- (vii) An ESOS 2013/2023 offer may be made upon such terms and conditions as the Options Committee may decide from time to time. Each ESOS 2013/2023 offer shall be made in writing and is personal to the Eligible Employee and cannot be assigned, transferred, encumbered or otherwise disposed off in any manner whatsoever; and
- (viii) Subject to the ESOS By-Laws, an ESOS Option can be exercised by the Grantee, by notice in writing to the Company in the form prescribed by the Options Committee during the ESOS Option Period in respect of all or any parts of the new shares in the ESOS Option.

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28. Share capital (cont'd.)

(d) Employee share options scheme 2013/2023 ("ESOS 2013/2023") (cont'd.)

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial year:

2014	Grant date	Exercise Price RM	Number of Share Options					
			Outstanding at 1 January '000	Granted '000	Movement During the Year (Exercised) '000	Forfeited '000	Outstanding at 31 December '000	Exercisable at 31 December '000
	30 August 2013	2.15	9,813	-	(65)	(709)	9,039	9,039
	15 August 2014	2.05	-	10,140	(8)	(77)	10,055	10,055
			9,813	10,140	(73)	(786)	19,094	19,094
	WAEP (RM)		2.15	2.05	2.14	2.14	2.10	2.10
2013								
	Grant date	Exercise Price RM						
	30 August 2013	2.15	-	9,937	(124)	-	9,813	9,813
	WAEP (RM)		-	2.15	2.15	-	2.15	2.15

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28. Share capital (cont'd.)

(d) Employee share options scheme 2013/2023 ("ESOS 2013/2023") (cont'd.)

(i) Details of share options outstanding at the end of the financial year:

	WAEP RM	Exercise period
2014		
Date granted		
30 August 2013	2.15	30.08.2013 - 17.08.2023
15 August 2014	2.05	15.08.2014 - 17.08.2023
2013		
Date granted		
30 August 2013	2.15	30.08.2013 - 17.08.2023

At 31 December 2014 there are 19,094,000 options exercisable at the WAEP of RM2.10 each. The exercise and vesting period is from 30 August 2013 to 17 August 2023.

(ii) Share options exercised during the financial year

Options exercised during the financial year resulted in the issuance of 73,000 ordinary shares of RM0.50 each (2013: 124,000 ordinary shares of RM0.50 each) at exercise prices ranging between RM2.05 and RM2.15 (2013: RM2.15). The related weighted average share price at the date of exercise was RM2.29 (2013: RM2.49).

(iii) Fair value of share options granted during the financial year

The fair value of share options granted during the financial year was estimated using a binomial model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions are as follows:

	15 August 2014	30 August 2013
Fair value of share options at grant date (RM)	0.24	0.40
Weighted average share price (RM)	2.29	2.44
Weighted average exercise price (RM)	2.05	2.15
Expected volatility (%)	21.95%	16.66%
Expected life (year)	10.00	10.00
Risk free rate (%)	4.10%	3.42%
Expected dividend yield (%)	2.90%	2.73%

The expected life of the share options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome. No other features of the option was incorporated into the measurement of fair value.

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28. Share capital (cont'd.)

(e) Warrants 2008/2013

The movements in these warrants during the financial year to take up new ordinary shares of RM0.50 each in WCTB were as follows:

	Group Number of warrants '000
At 1 January 2013	135,458
Converted to ordinary shares	(133,136)
Lapsed	(2,322)
At 31 December 2013/31 December 2014	<u>-</u>

The salient terms of these warrants were as follows:

- (i) The warrants was issued in registered form and constituted by a Deed Poll. For the purpose of trading of the warrants on Bursa Securities, a board lot of warrants shall be 100 warrants carrying the right to subscribe for 100 ordinary shares of RM0.50 each in WCTB;
- (ii) The exercise price of warrants was adjusted from RM3.00 per ordinary share to RM2.50 per ordinary share in accordance with the provision of a Deed Poll dated 12 March 2008 to ensure that the status of the holders of warrants is not prejudiced as a result of the issuance of Warrants 2013/2016;
- (iii) Further adjustments were made to the exercise price of the outstanding Warrants 2008/2013 from RM2.50 to RM1.85 as a result of the Bonus Issue of Shares and the Bonus Issue of Warrants in accordance with the provisions of the Deed Poll dated 12 March 2008 to ensure that the status of the holders of Warrants 2008/2013 not prejudiced as a result of the Bonus Issue of Shares and the Bonus Issue of Warrants;
- (iv) The exercise price was RM1.85 per ordinary share of RM0.50 each in WCTB and each warrant entitled the registered holder to subscribe for 1 new ordinary share in WCTB during the exercise period;
- (v) The exercise period was for a period of 5 years commencing on and including the date of allotment of the warrants. Warrants not exercised during the exercise period lapsed and ceased to be valid;

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28. Share capital (cont'd.)

(e) Warrants 2008/2013 (cont'd.)

The salient terms of these warrants were as follows: (cont'd.)

- (vi) The new ordinary shares issued pursuant to the exercise of the warrants will, upon allotment and issue, rank *pari passu* in all respects with the existing ordinary shares in WCTB save and except that the holders of the new ordinary shares in WCTB were not entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is on or before the date of allotment of the ordinary shares in WCTB pursuant to the exercise of the warrants;
- (vii) In the case of a members' voluntarily winding up, or a compromise or arrangement between WCTB and its members or any class of them (whether or not in connection with a scheme for reconstruction or amalgamation), every warrant holder as evidenced in the Record of Depositors shall be treated as having the right to subscribe for new ordinary shares of WCTB in accordance with the terms and conditions of the Deed Poll, at any time within 6 weeks after passing of such resolution for a members' voluntarily winding up WCTB, or within 6 weeks after the granting of the court order in respect of the compromise or arrangement; and
- (viii) The warrant holders were not entitled to any voting rights or to participate in any distribution and/or offer of further securities in WCTB until and unless such warrant holders exercise their warrants for new ordinary shares in WCTB.

Warrants 2008/2013 lapsed on 22 April 2013.

(f) Warrants 2013/2016

The movement in these warrants during the financial year to take up new ordinary shares of RM0.50 each in the Company were as follows:

	Group Number of warrants '000	Company Number of warrants '000
At 1 January 2013	157,015	-
Arising from internal reorganisation exercise	-	157,013
Converted to ordinary shares	(16)	(14)
At 31 December 2013/1 January 2014	156,999	156,999
Converted to ordinary shares	(14)	(14)
At 31 December 2014	156,985	156,985

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28. Share capital (cont'd.)

(f) Warrants 2013/2016 (cont'd.)

The salient terms of the warrants are as follows:

- (i) The warrants was issued in registered form and constituted by a Deed Poll. For the purpose of trading of the warrants on Bursa Securities, a board lot of warrants shall be 100 warrants carrying the right to subscribe for 100 ordinary shares of RM0.50 each in the Company;
- (ii) The exercise price is RM2.75 per ordinary share of RM0.50 each and each warrant entitles the registered holder to subscribe for 1 new ordinary share in the Company during the exercise period;
- (iii) Adjustment was made to the exercise price of the outstanding Warrants 2013/2016 from RM2.75 to RM2.04 as a result of the Bonus Issue of Shares and the Bonus Issue of Warrants in accordance with the provisions of the Deed Poll dated 17 December 2010 (as amended and varied via the supplemental Deed Poll dated 30 August 2012), to ensure that the status of the holders of Warrants 2013/2016 is not prejudiced as a result of the Bonus Issue of Shares and the Bonus Issue of Warrants;
- (iv) The exercise period is for a period of 5 years commencing on and including the date of allotment of this warrants. Warrants not exercised during the exercise period will thereafter lapse and cease to be valid;
- (v) The new ordinary shares to be issued pursuant to the exercise of this warrants will, upon allotment and issue, rank *pari passu* in all respects with the existing ordinary shares of the Company, save and except that the holders of the new ordinary shares of the Company shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is on or before the date of allotment of the ordinary shares of the Company pursuant to the exercise of the warrants;
- (vi) The warrants are constituted under a Deed Poll executed on 17 December 2010 (as amended and varied via the supplemental Deed Poll dated 30 August 2012);

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28. Share capital (cont'd.)**(f) Warrants 2013/2016 (cont'd.)**

(vii) In the case of a members' voluntarily winding up, or a compromise or arrangement between the Company and its members or any class of them (whether or not in connection with a scheme for reconstruction or amalgamation), every warrant holder as evidenced in the Record of Depositors shall be treated as having the right to subscribe for new ordinary shares of the Company in accordance with the terms and conditions of the Deed Poll, at any time within 6 weeks after passing of such resolution for a members' voluntarily winding up of the Company, or within 6 weeks after the granting of the court order in respect of the compromise or arrangement; and

(viii) The warrant holders are not entitled to any voting rights or to participate in any distribution and/or offer of further securities in the Company until and unless such warrant holders exercise their warrants for new ordinary shares of the Company.

157,014,351 Warrants 2013/2016 were issued on 1 July 2013 pursuant to the securities exchange made between the Company and WCTB pursuant to a scheme of arrangement under Section 176 of the Companies Act, 1965. The Warrants 2013/2016 were listed on the Bursa Securities on 8 July 2013.

(g) Warrants 2013/2017

The movements in these warrants during the financial year to take up new ordinary shares of RM0.50 each in the Company were as follows:

	Group Number of warrants '000	Company Number of warrants '000
At 1 January 2013	164,829	-
Arising from internal reorganisation exercise	-	163,777
Converted to ordinary shares	(1,195)	(143)
At 31 December 2013/1 January 2014	<u>163,634</u>	<u>163,634</u>
Converted to ordinary shares	(3)	(3)
At 31 December 2014	<u>163,631</u>	<u>163,631</u>

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28. Share capital (cont'd.)

(g) Warrants 2013/2017 (cont'd.)

The salient terms of the warrants are as follows:

- (i) The warrants were issued in registered form and constituted by a Deed Poll. For the purpose of trading of the warrants on Bursa Securities, a board lot of warrants shall be 100 warrants carrying the right to subscribe for 100 ordinary shares of RM0.50 each in the Company;
- (ii) The exercise price is RM2.25 per ordinary share of RM0.50 each of the Company and each warrant will entitle the registered holder to subscribe for 1 new ordinary share in the Company during the exercise period;
- (iii) The exercise period is for a period of 5 years commencing on and including the date of allotment of this warrants. Warrants not exercised during the exercise period will thereafter lapse and cease to be valid;
- (iv) The new ordinary shares to be issued pursuant to the exercise of this warrants will, upon allotment and issue, rank *pari passu* in all respects with the existing ordinary shares of the Company, save and except that the holders of the new ordinary shares of the Company shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is on or before the date of allotment of the ordinary shares of the Company pursuant to the exercise of the warrants;
- (v) The warrants are constituted under a Deed Poll executed on 27 November 2012;
- (vi) In the case of a members' voluntarily winding up, or a compromise or arrangement between the Company and its members or any class of them (whether or not in connection with a scheme for reconstruction or amalgamation), every warrant holder as evidenced in the Record of Depositors shall be treated as having the right to subscribe for new ordinary shares of the Company in accordance with the terms and conditions of the Deed Poll, at any time within 6 weeks after passing of such resolution for a members' voluntarily winding up of the Company, or within 6 weeks after the granting of the court order in respect of the compromise or arrangement; and
- (vii) The warrant holders are not entitled to any voting rights or to participate in any distribution and/or offer of further securities in the Company until and unless such warrant holders exercise their warrants for new ordinary shares of the Company.

163,777,448 Warrants 2013/2017 were issued on 1 July 2013 pursuant to the securities exchange made between the Company and WCTB pursuant to a scheme of arrangement under Section 176 of the Companies Act, 1965. The Warrants 2013/2017 were listed on the Bursa Securities on 8 July 2013.

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29. Share premium

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Non-distributable				
At 1 January	2,173,973	394,086	2,173,973	-
Arising from internal reorganisation exercise	-	1,554,791	-	2,173,440
Arising from share options exercised	120	7,381	120	205
Arising from conversion of warrants	26	181,850	26	273
Transfer within reserve arising from ESOS exercised	28	2,723	28	50
Transfer within reserve arising from warrants exercised	4	33,142	4	5
At 31 December	<u>2,174,151</u>	<u>2,173,973</u>	<u>2,174,151</u>	<u>2,173,973</u>

30. Reserves

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Non-distributable					
Revaluation reserve	(a)	23,670	27,729	-	-
Other reserve		140	217	-	-
Capital reserve	(b)	2,846	2,846	-	-
Equity compensation reserve	(c)	5,169	3,291	5,169	3,291
Exchange reserve	(d)	(99,337)	(103,777)	-	-
Warrants reserve	(e)	53,023	53,027	53,023	53,027
Internal reorganisation reserve	(f)	(1,554,791)	(1,554,791)	-	-
		<u>(1,569,280)</u>	<u>(1,571,458)</u>	<u>58,192</u>	<u>56,318</u>
Distributable					
General reserve	(g)	1,438	1,438	-	-
Retained profits	(h)	1,109,061	1,054,122	273,976	340,014
		<u>1,110,499</u>	<u>1,055,560</u>	<u>273,976</u>	<u>340,014</u>
		<u>(458,781)</u>	<u>(515,898)</u>	<u>332,168</u>	<u>396,332</u>

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30. Reserves (cont'd.)

The nature and purpose of each category of the reserves are as follows:

(a) Revaluation reserve

This revaluation reserve is used to record changes in fair values of certain freehold land and buildings.

(b) Capital reserve

Capital reserve of the Group arose from bonus issue of shares by subsidiaries.

(c) Equity compensation reserve

The equity compensation reserve of the Group and of the Company represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on grant of share options.

(d) Exchange reserve

The exchange reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(e) Warrant reserve

The proceeds from the issue of warrants, net of issue costs, were credited to warrant reserve account which is non-distributable. Warrant reserve will be transferred to the share premium accounts upon the exercise of warrants and the warrant reserve in relation to the unexercised warrants on the expiry date of the exercise period will be transferred to retained profits.

(f) Internal reorganisation reserve

Internal reorganisation reserve is used to record the differences arising from the share premium of the Company's and the share premium of WCTB pursuant to the securities exchange made between the Company and WCTB pertaining to a scheme of arrangement under Section 176 of the Companies Act, 1965.

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30. Reserves (cont'd.)

The nature and purpose of each category of the reserves are as follows: (cont'd.)

(g) General reserve

- (i) Under the provisions of the Bahrain Commercial Companies Law, a statutory reserve equivalent to 10% of the subsidiary's net profit before appropriations is required to be transferred to a non-distributable reserve account until no less than 50% of the share capital; and
- (ii) Under the provisions of the India Companies Act, 1956, a statutory reserve equivalent to a certain percentage of the subsidiary's net profit before appropriation is required to be transferred to a non-distributable reserve account before any dividend can be declared or paid.

Proposed dividend	Amount to be transferred to statutory reserve
~ Exceeds 10% but less than 12.50% of paid-up capital	Not less than 2.50% of current profits
~ Exceeds 12.50% but less than 15% of paid-up capital	Not less than 5% of current profits
~ Exceeds 15% but less than 20% of paid-up capital	Not less than 7.50% of current profits
~ Exceeds 20% of paid-up capital	Not less than 10% of current profits

(h) Retained profits

The Company may distribute dividends out of its entire retained profits as of 31 December 2014 and 31 December 2013 under the single tier system.

31. Non-controlling interest

	Group	
	2014 RM'000	2013 RM'000
At 1 January	52,055	56,958
Share of losses for the financial year	(1,947)	(7,797)
Exchange differences	2,654	2,894
At 31 December	52,762	52,055

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32. Revenue

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Contract revenue on civil engineering and road construction works (Note 10(b))	1,151,959	1,108,119	-	-
Interest income	7,941	3,695	68,927	18,599
Dividend income	-	-	22,936	393,185
Management fees	761	164	3,950	1,044
Sale of development properties	359,849	389,832	-	-
Sale of goods	50,382	56,410	-	-
Sale of properties held for sale	31,560	35,239	-	-
Rental income	30,010	32,553	-	-
Car park income	4,209	4,321	-	-
Hotel income	25,551	24,618	-	-
	<u>1,662,222</u>	<u>1,654,951</u>	<u>95,813</u>	<u>412,828</u>

33. Cost of sales

	Group	
	2014 RM'000	2013 RM'000
Construction contract costs (Note 10(b))	1,063,341	1,008,182
Cost of development properties sold (Note 5(b))	279,948	269,098
Cost of goods sold	47,714	53,670
Cost of properties held for sale	11,653	17,890
Cost of maintenance of investment properties	5,089	5,423
Cost of services provided	8,143	8,241
Cost incurred on car park operation	3,114	3,013
Cost of sales - hotel	9,633	9,431
	<u>1,428,635</u>	<u>1,374,948</u>

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34. Other operating income/(loss)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Interest income	17,238	28,099	153	-
Interest from joint ventures	14,436	11,436	-	-
Unrealised gain on foreign exchange	18,050	35,727	-	-
Rental income	2,535	2,217	-	-
(Loss)/gain on disposal of property, plant and equipment	(16,245)	4,125	-	-
Loss on disposal of investment in subsidiaries	-	(5,156)	-	-
Gain on disposal of investment in associates	-	10,355	-	-
Gain on disposal of properties held for sale	53	709	-	-
Realised gain/(loss) on foreign exchange	10,842	(8,038)	-	-
Fair value gain on investment properties (Note 6)	9,945	51,105	-	-
Finance income/(expense) from loan and receivables	1,011	(2,869)	-	-
Sale of scaffolding	97	1,515	-	-
Insurance claim	531	1,060	-	-
Reversal of allowance for impairment of trade and other receivables	1,024	4,509	-	-
Write back in value of properties held for sale	170	626	-	-
Dividend income from marketable securities	1,234	2,019	-	-
Others	25	3,000	-	1
	60,946	140,439	153	1

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35. Finance costs

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Interest expense				
- term loans	13,649	16,758	-	-
- interest on Bonds	7,500	14,918	7,500	3,165
- bank overdrafts	44	38	-	-
- banker's acceptances	-	202	-	-
- revolving credits	2,849	2,012	-	-
- hire purchase	4	357	-	-
- profit on IMTNs	5,813	14,599	5,813	2,615
- profit on MTNs	44,600	23,614	44,600	9,653
- profit on Sukuk Murabahah	5,861	-	5,861	-
- accretion of profit on SUKUK	-	712	-	-
- accretion of interest on Bonds	7,320	13,558	7,320	2,880
- profit on SUKUK	-	460	-	-
- interest to a subsidiary	-	-	6,401	6,800
- others	104	3,107	-	-
	<u>87,744</u>	<u>90,335</u>	<u>77,495</u>	<u>25,113</u>
- less: Amount capitalised under property development costs	(21,066)	(22,193)	-	-
- less: Amount capitalised under property, plant and equipment	-	(511)	-	-
- less: Amount capitalised under investment property	(6,445)	-	-	-
	<u>60,233</u>	<u>67,631</u>	<u>77,495</u>	<u>25,113</u>

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36. Profit before taxation

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
(a) The following amounts have been included in arriving at profit before taxation:				
Auditors' remuneration				
- statutory	526	511	112	120
- under/(over) provision in prior years	85	10	(8)	-
- other services	170	47	170	-
Rent of premises and motor vehicles	1,147	1,968	-	-
Depreciation of property, plant and equipment	8,170	9,936	1	-
Bad debts written off	3,001	9,320	-	-
Allowance for doubtful debts				
- third parties	4,670	17,833	-	-
Loss on disposal of property, plant and equipment	16,245	150	-	-
Property, plant and equipment written off	37	904	-	-
Write down in value of properties held for sale	327	-	-	-
Loss on disposal of other investment	-	265	-	-
Direct expenses (including repair and maintenance) attributable to income generating investment properties	8,203	8,436	-	-
Provision/(reversal) for foreseeable losses for contract work in progress	2,000	(12,741)	-	-

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36. Profit before taxation (cont'd.)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
(b) Employee benefits expense				
Staff costs (excluding Directors' remuneration)				
- wages and salaries	34,377	36,675	720	323
- seconded	26	13	-	-
Social security costs	348	363	2	1
Employees' Provident Fund	4,216	4,131	124	46
Bonus and ex-gratia	2,704	2,987	249	161
ESOS expenses	1,805	3,234	398	707
Other staff related expenses	2,964	3,198	422	104
	<u>46,440</u>	<u>50,601</u>	<u>1,915</u>	<u>1,342</u>
(c) Directors' remuneration				
In respect of Company's Directors:				
<i>Executive</i>				
Salaries and other emoluments	4,920	4,044	4,920	2,022
Fees	108	108	48	24
Bonus	1,685	1,560	1,685	-
Employees' Provident Fund	793	673	793	243
Perquisite ESOS/staff discount	50	220	-	-
Benefits-in-kind	144	138	136	66
	<u>7,700</u>	<u>6,743</u>	<u>7,582</u>	<u>2,355</u>
<i>Non-executive</i>				
Salaries and other emoluments	531	349	531	175
Fees	156	156	156	78
Bonus	60	28	60	-
Employees' Provident Fund	55	30	55	13
Perquisite ESOS/staff discount	17	11	-	-
Benefits-in-kind	32	31	32	16
	<u>851</u>	<u>605</u>	<u>834</u>	<u>282</u>
Total	<u>8,551</u>	<u>7,348</u>	<u>8,416</u>	<u>2,637</u>

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36. Profit before taxation (cont'd.)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
(c) Directors' remuneration (cont'd.)				
Analysis of Company's Directors' remuneration excluding benefits-in-kind:				
Executive Directors' remuneration	7,556	6,605	7,446	2,289
Non-executive Directors' remuneration	648	405	631	181
Total Directors' remuneration	<u>8,204</u>	<u>7,010</u>	<u>8,077</u>	<u>2,470</u>

The number of Directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Group		Company	
	Executive directors	Non-executive directors	Executive directors	Non-executive directors
31 December 2014				
RM50,001 - RM100,000	-	2	-	2
RM100,001 - RM150,000	-	1	-	1
RM 500,001 - RM550,000	-	1	-	1
RM1,000,001 - RM1,050,000	1	-	1	-
RM1,050,001 - RM1,100,000	1	-	1	-
RM2,000,001 - RM2,050,000	1	-	1	-
RM3,450,001 - RM3,500,000	-	-	1	-
RM3,500,001 - RM3,550,000	1	-	-	-
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
31 December 2013				
RM1 - RM50,000	-	-	-	2
RM50,001 - RM100,000	-	2	-	1
RM100,001 - RM150,000	-	-	-	1
RM150,001 - RM200,000	-	1	-	-
RM250,001 - RM300,000	-	1	-	-
RM350,001 - RM400,000	-	-	2	-
RM650,001 - RM700,000	-	-	1	-
RM950,001 - RM1,000,000	-	-	1	-
RM1,000,001 - RM1,050,000	2	-	-	-
RM1,800,001 - RM1,850,000	1	-	-	-
RM2,850,001 - RM2,900,000	1	-	-	-
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

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37. Taxation

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Income tax:				
Malaysian income tax	41,738	59,811	5,602	3,242
Foreign income tax	-	2,172	-	-
(Over)/under provision in prior years	(5,388)	3,720	(2,988)	-
	<u>36,350</u>	<u>65,703</u>	<u>2,614</u>	<u>3,242</u>
Deferred taxation (Note 13):				
Relating to origination and reversal of temporary differences	(7,588)	1,364	(4,111)	(437)
Relating to change in tax rate	(547)	(237)	164	17
Under/(over) provision in prior years	268	(2,338)	105	-
	<u>(7,867)</u>	<u>(1,211)</u>	<u>(3,842)</u>	<u>(420)</u>
Taxation reported in profit or loss	<u>28,483</u>	<u>64,492</u>	<u>(1,228)</u>	<u>2,822</u>

Domestic current income tax is calculated at the Malaysian statutory tax rate of 25% (2013: 25%) of the estimated assessable profit for the financial year. The domestic statutory tax rate will be reduced to 24% in year of assessment 2016. The computation of deferred tax as at 31 December 2014 has reflected these changes.

Tax in foreign jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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37. Taxation (cont'd.)

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company respectively are as follows:

	2014 RM'000	2013 RM'000
Group		
Profit before taxation	<u>149,454</u>	<u>254,243</u>
Taxation at Malaysian statutory tax rate of 25% (2013: 25%)	37,364	63,561
Effect of different tax rates in foreign branches	(4,692)	(4,105)
Effect of zero tax rates in foreign countries	7,364	(3,647)
Effect of share of results of associates	(2,099)	(3,031)
Effect of share of results of joint ventures	(1,747)	(1,769)
Effect of changes in tax rates on opening balance of deferred tax	(547)	(237)
Effect on different tax rate for fair value in investment properties	(1,989)	(10,191)
Effect on introduction of real property gains tax	-	4,993
Income not subject to tax	(13,251)	(15,408)
Expenses not deductible for tax purposes	13,200	32,944
Under/(over) provision of deferred tax in prior years	268	(2,338)
(Over)/under provision of income tax in prior years	(5,388)	3,720
Tax expense for the financial year	<u>28,483</u>	<u>64,492</u>
Company		
Profit before taxation	<u>4,849</u>	<u>381,072</u>
Taxation at Malaysian statutory tax rate of 25% (2013: 25%)	1,212	95,268
Income not subject to tax	(5,746)	(98,296)
Effect of changes in tax rates on opening balance of deferred tax	164	17
Expenses not deductible for tax purposes	6,025	5,833
Under provision of deferred tax in prior years	105	-
Over provision of income tax in prior years	(2,988)	-
Tax expense for the financial year	<u>(1,228)</u>	<u>2,822</u>

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

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38. Earnings per share

(i) Basic

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2014	2013
	RM'000	RM'000
Profit attributable to ordinary equity holders of the Company	122,918	197,548
Weighted average number of shares in issue	1,085,208	1,073,406
Basic earnings per share (sen)	11.33	18.40

(ii) Fully diluted

For the purpose of calculating diluted earnings per share, the profit for the financial year attributable to ordinary equity holders of the Company is divided by the weighted average number of ordinary shares in issue during the financial year which have been adjusted for the dilutive effects of the share options granted to employees and warrants.

	Group	
	2014	2013
	RM'000	RM'000
Profit attributable to ordinary equity holders of the Company	122,918	197,548
Weighted average number of shares in issue	1,085,208	1,073,406
Effect of dilution:		
Share options	256	1,633
Warrants	4,727	44,480
Adjusted weighted average number of shares in issue and issuable	1,090,191	1,119,519
Diluted earnings per share (sen)	11.27	17.65

There have been no other transactions involving ordinary shares between reporting date and the date of completion of these financial statements except for the share buy back as disclosed in Note 47(a).

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39. Dividends

	Group			
	Dividends in respect of year		Dividends recognised in year	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Recognised during the year:				
Single tier interim dividend of 3.25 sen per share, on 1,066,668,878 ordinary shares of RM0.50 each (3.25 sen per ordinary share) paid on 22 April 2013	-	34,666	-	34,666
Single tier interim dividend of 3.50 sen per share, on 1,092,329,802 ordinary shares of RM0.50 each (3.50 sen per ordinary share) paid on 26 September 2013	-	38,232	-	38,232
Final single tier dividend of 3.25 sen per share, on 1,085,476,908 ordinary shares of RM0.50 each (3.25 sen per ordinary share) paid on 5 June 2014	-	35,278	35,278	-
Single tier interim dividend comprising:				
- Cash dividend of 1.25 sen per ordinary share on 1,081,272,764 ordinary shares of RM0.50 each (1.25 sen per ordinary share) paid on 10 October 2014	13,516	-	13,516	-
- Share dividend of 1 treasury share for every 100 ordinary shares held, 10,809,930 treasury shares were distributed on 10 October 2014	23,321	-	23,321	-
	<u>36,837</u>	<u>108,176</u>	<u>72,115</u>	<u>72,898</u>

Subject to the shareholders' approval at the forthcoming Annual General Meeting, the Directors recommended final single tier dividend comprising:

- (i) Cash dividend of 1.00 sen per ordinary share of RM0.50 each; and
- (ii) Share dividend via a distribution of treasury shares on the basis of 1 treasury share for every 100 ordinary shares of RM0.50 each held, fractions of treasury shares to be disregarded.

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40. Related party disclosures

- (a) The Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Contract revenue from joint ventures	46,408	111,659	-	-
Rent expense payable to a company related to a Director of the Company	-	(455)	-	-
Rent expense payable to a joint venture	(55)	(183)	-	-
Management fee receivable from subsidiaries	-	-	3,650	964
Management fee receivable from joint ventures	761	164	300	80
Gross dividend receivable from subsidiaries	-	-	22,936	393,185
Interest receivable from subsidiaries	-	-	60,986	14,904
Interest receivable from joint ventures	14,436	11,436	-	-
Interest payable to a subsidiary	-	-	(6,401)	(6,800)
Sales of properties to Directors and persons connected with the Directors	31,706	21,102	-	-
Purchase of properties from a Director of the Company	-	(8,350)	-	-
Repayments/(advances) to joint ventures	36,969	(58,270)	-	-
Advances to non-controlling interest of subsidiary	(16,745)	-	-	-

The above transactions were transacted at terms and conditions similar to those which were offered to/(by) unrelated parties. Balances due from/(to) these parties are disclosed in Note 12.

- (b) Compensation of key management personnel

The Company defines key management personnel as its Directors whose remunerations are disclosed in Note 36(c).

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41. Operating lease arrangements

(a) The Group as lessee

The Group has entered into non-cancellable operating lease agreements for the use of land and buildings. These leases have an average life of between 1 to 3 years with no renewal or purchase option included in the contracts. There are no restrictions placed upon the Group by entering into these leases.

The future aggregate minimum lease payments under non-cancellable operating leases contracted for as at the statement of financial position date but not recognised as liabilities, are as follows:

	Group	
	2014 RM'000	2013 RM'000
Future minimum rental payments:		
Not later than 1 year	1,312	1,211
Later than 1 year and not later than 5 years	332	443
	1,644	1,654

The lease payments and rent capitalised under construction contracts during the financial year are disclosed in Note 10(b).

(b) The Group as lessor

The Group has entered into non-cancellable operating lease agreements on its investment properties portfolio. These leases have remaining non-cancellable lease terms of between 1 to 23 years. Certain leases have auto renewal option of 2 years included in the contracts.

The future minimum lease payments receivable under non-cancellable operating leases contracted for as at the statement of financial position date but not recognised as receivables, are as follows:

	Group	
	2014 RM'000	2013 RM'000
Future minimum rental receivables:		
Not later than 1 year	31,134	33,505
Later than 1 year and not later than 5 years	55,580	93,306
Later than 5 years	2,689	2,842
	89,403	129,653

Rental income earned from these investment properties during the financial year is disclosed in Note 32.

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42. Commitment

	Group	
	2014 RM'000	2013 RM'000
Approved and contracted for:		
Property, plant and equipment	118,344	251
Land	103,843	160,743
Investment properties	355,439	-
Share of capital commitment of joint operations	87,954	-
	<u>665,580</u>	<u>160,994</u>

43. Contingent liabilities

	Company	
	2014 RM'000	2013 RM'000
(a) Corporate guarantees given to trade suppliers and financial institutions for credit facilities granted to subsidiaries:		
- financial institutions	<u>2,967,068</u>	<u>893,643</u>

As at reporting date, no values are ascribed on these guarantees provided by the Company to secure banking facilities described above as the Directors regard the value of the credit enhancement provided by these guarantees as minimal and the probability of default, based on historical track records of the parties receiving the guarantees are remote.

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43. Contingent liabilities (cont'd.)

	Group	
	2014	2013
	RM'000	RM'000
(b) Performance, advance payment and tender guarantee granted to:		
- clients	537,569	571,867
- clients of subsidiaries	44,292	40,927
- clients of joint operations	164,463	151,261
	746,324	764,055

As at the reporting date, no values are ascribed on these guarantees provided by the Group for the purpose described above as the Directors regard the value of the credit enhancement provided by these guarantees as minimal and the probability of default, based on historical track records of the parties receiving the guarantees are remote.

	Group	
	2014	2013
	RM'000	RM'000
(c) Letters of credit utilised by		
- subsidiaries	28,091	28,776
(d) Tax matters under appeal by		
- a subsidiary	3,589	3,201

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44. Financial instruments

(a) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks (both fair value and cash flow), foreign currency risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

(b) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis points higher/lower, with all other variables held constant, the Group's profit net of tax would have been RM113,429 (2013: RM2,679) lower/higher, arising mainly as a result of higher/lower interest expense on floating rate loans, borrowings and higher/lower interest income.

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44. Financial instruments (cont'd.)

(b) Interest rate risk (cont'd.)

The following tables set out the carrying amounts, the weighted average effective interest rates ("WAEIR") as at the statement of financial position date and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk:

Group	Note	WAEIR %	Within 1 Year RM'000	1-2 Years RM'000	2-3 Years RM'000	3-4 Years RM'000	4-5 Years RM'000	More than 5 Years RM'000	Total RM'000
Fixed rate									
Deposits	16	3.13	814,846	-	-	-	-	-	814,846
Hire purchase payables	20	5.75	(7)	-	-	-	-	-	(7)
Revolving credits	21	7.00	(23,049)	-	-	-	-	-	(23,049)
Term loans	22	5.03	(55,242)	(21,600)	(21,600)	(203,200)	-	-	(301,642)
IMTN	24	3.99	(100,000)	-	-	-	-	-	(100,000)
Bonds	25	5.10	(292,385)	-	-	-	-	-	(292,385)
MTN	26	4.46	-	-	(200,000)	-	-	(800,000)	(1,000,000)
Sukuk Murabahah	27	5.09	-	-	-	-	-	(600,000)	(600,000)
Floating rate									
Bank overdrafts	23	7.75	(5,429)	-	-	-	-	-	(5,429)
Revolving credits	21	4.86	(108,000)	-	-	-	-	-	(108,000)

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44. Financial instruments (cont'd.)

(b) Interest rate risk (cont'd.)

At 31 December 2014

Company	Note	WAEIR %	Within 1 Year RM'000	1-2 Years RM'000	2-3 Years RM'000	3-4 Years RM'000	4-5 Years RM'000	More than 5 Years RM'000	Total RM'000
Fixed rate									
Deposits	16	3.22	181,696	-	-	-	-	-	181,696
IMTN	24	3.99	(100,000)	-	-	-	-	-	(100,000)
Bonds	25	5.10	(292,385)	-	-	-	-	-	(292,385)
MTN	26	4.46	-	-	(200,000)	-	(800,000)	(1,000,000)	(1,000,000)
Sukuk Murabahah	27	5.09	-	-	-	-	(600,000)	(600,000)	(600,000)

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44. Financial instruments (cont'd.)

(b) Interest rate risk (cont'd.)

At 31 December 2013

Group	Note	WAEIR %	Within 1 Year RM'000	1-2 Years RM'000	2-3 Years RM'000	3-4 Years RM'000	4-5 Years RM'000	More than 5 Years RM'000	Total RM'000
Fixed rate									
Deposits	16	3.16	742,904	-	-	-	-	-	742,904
Hire purchase payables	20	6.05	(124)	(7)	-	-	-	-	(131)
Term loans	22	5.06	(66,265)	(21,600)	(21,600)	(224,800)	-	-	(334,265)
IMTN	24	4.30	(300,000)	-	-	-	-	-	(300,000)
Bonds	25	5.10	-	(285,065)	-	-	-	-	(285,065)
MTN	26	4.46	-	-	-	-	(200,000)	(800,000)	(1,000,000)
Floating rate									
Bank overdrafts	23	7.58	(2,679)	-	-	-	-	-	(2,679)

Interest on financial instruments at fixed rates are fixed until the maturity of the instrument. The other financial instruments of the Group and of the Company that are not included in the above tables are not subject to material interest rate risk.

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44. Financial instruments (cont'd.)

(b) Interest rate risk (cont'd.)

Note	WAEIR %	Within 1 Year RM'000	1-2 Years RM'000	2-3 Years RM'000	3-4 Years RM'000	4-5 Years RM'000	More than 5 Years RM'000	Total RM'000
16	3.28	471,548	-	-	-	-	-	471,548
24	4.30	(300,000)	-	-	-	-	-	(300,000)
25	5.10	-	(285,065)	-	-	-	-	(285,065)
26	4.46	-	-	-	(200,000)	(800,000)	(1,000,000)	(1,000,000)

At 31 December 2013

Company

Fixed rate

Deposits
IMTN
Bonds
MTN

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44. Financial instruments (cont'd.)

(c) Foreign currency risk

The Group is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States Dollars (USD), UAE Dirhams (AED), Bahrain Dinars (BHD), Qatari Riyals (QAR) and Indian Rupees (INR). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency which is pegged with the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in AED, QAR, BHD and USD against the respective functional currencies of the Group's entities, with all variables held constant.

	Group	
	2014	2013
	RM'000	RM'000
	Profit net of tax	Profit net of tax
AED/RM - Strengthen 3%	10,660	10,155
Weakened 3%	(10,660)	(10,155)
QAR/RM - Strengthen 3%	10,800	6,651
Weakened 3%	(10,800)	(6,651)
BHD/RM - Strengthen 3%	(407)	(200)
Weakened 3%	407	200
USD/RM - Strengthen 3%	560	528
Weakened 3%	(560)	(528)

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44. Financial instruments (cont'd.)

(c) Foreign currency risk (cont'd.)

Included in the following statements of financial position captions of the Group as at the reporting date are balances denominated in the following major foreign currencies:

Group	Bahrain Dinars RM'000	UAE Dirhams RM'000	Qatar Riyals RM'000	Omani Riyals RM'000	Vietnamese Dong RM'000	United States		Euro RM'000	Total RM'000
						Dollars RM'000	Dollars RM'000		
At 31 December 2014									
Cash, deposit and bank balances	9,757	3,338	48,445	193	3	1,396	1,046	64,178	
Receivables	45,629	628,663	465,718	736	78	17,119	-	1,157,943	
Payables	(9,251)	(348,847)	(252,949)	(17)	-	(16)	-	(611,080)	
Borrowings	-	-	(33,642)	-	-	-	-	(33,642)	
At 31 December 2013									
Cash, deposit and bank balances	22,403	22,305	22,495	-	1	1,378	982	69,564	
Receivables	27,969	531,047	424,174	693	221	14,504	-	998,608	
Payables	(25,086)	(298,650)	(232,587)	-	-	(25)	(51)	(556,399)	
Borrowings	-	-	(54,265)	-	-	-	-	(54,265)	

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44. Financial instruments (cont'd.)

(d) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by bank borrowings.

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within 1 year RM'000	More than 1 year less than 5 years RM'000	More than 5 years RM'000	Total RM'000
Group				
As at 31 December 2014				
Trade and other payables	1,043,011	422,451	-	1,465,462
Loans and borrowings				
- Principal	584,112	446,400	1,400,000	2,430,512
- Interest	111,153	315,569	107,527	534,249
	<u>1,738,276</u>	<u>1,184,420</u>	<u>1,507,527</u>	<u>4,430,223</u>
As at 31 December 2013				
Trade and other payables	842,727	462,006	-	1,304,733
Loans and borrowings				
- Principal	369,068	753,072	800,000	1,922,140
- Interest	77,936	257,836	11,132	346,904
	<u>1,289,731</u>	<u>1,472,914</u>	<u>811,132</u>	<u>3,573,777</u>
Company				
As at 31 December 2014				
Other payables	21,335	-	-	21,335
Due to related companies	235,568	-	-	235,568
Loans and borrowings				
- Principal	392,385	200,000	1,400,000	1,992,385
- Interest	91,059	286,154	107,527	484,740
	<u>740,347</u>	<u>486,154</u>	<u>1,507,527</u>	<u>2,734,028</u>
As at 31 December 2013				
Other payables	13,039	-	-	13,039
Due to related companies	98,035	-	-	98,035
Loans and borrowings				
- Principal	300,000	485,065	800,000	1,585,065
- Interest	63,234	223,525	11,132	297,891
	<u>474,308</u>	<u>708,590</u>	<u>811,132</u>	<u>1,994,030</u>

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44. Financial instruments (cont'd.)

(e) Credit risk

The Group's credit risk is primarily attributable to trade receivables. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The Group's significant concentration of credit risk is disclosed in Note 10(a).

The exposure of credit risk for trade receivables as at the reporting date by geographic region are as follows:

	Group	
	2014	2013
	RM'000	RM'000
Malaysia	761,043	556,364
Middle East	769,529	692,841
	<u>1,530,572</u>	<u>1,249,205</u>

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44. Financial instruments (cont'd.)

(f) Fair values

- (i) The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

	Note	Fair value measurement using		
		Total	Quoted prices (Level 1)	Significant unobservable inputs (Level 3)
		RM'000	RM'000	RM'000
Group				
2014				
Assets measured at fair value				
Investment properties	6	737,813	-	737,813
Property, plant and equipment				
- Freehold land and buildings	4	108,594	-	108,594
2013				
Assets measured at fair value				
Investment properties	6	653,006	-	653,006
Property, plant and equipment				
- Freehold land and buildings	4	131,129	-	131,129
Marketable securities	15	65,721	65,721	-

There are no liabilities measured at fair value.

There have been no transfer between Level 1, Level 2 and Level 3 during the financial year.

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44. Financial instruments (cont'd.)

(f) Fair values (cont'd.)

- (ii) Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Note	Group		Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
At 31 December 2014				
Financial asset				
Trade and other receivables under contract dispute	48	342,397	#	-
Financial liabilities				
Hire purchase payables	20	(7)	(7)	-
Revolving credits	21	(23,049)	(23,049)	-
Term loans	22	(301,642)	(289,749)	-
IMTN	24	(100,000)	(100,000)	(100,000)
Bonds	25	(292,385)	(292,385)	(292,385)
MTN	26	(1,000,000)	(991,597)	(1,000,000)
Sukuk Murabahah	27	(600,000)	(574,757)	(600,000)
Trade and other payables under contract dispute	48	(239,837)	#	-
		<u>(2,556,920)</u>	<u>(2,271,544)</u>	<u>(1,992,385)</u>
				<u>(1,958,739)</u>

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44. Financial instruments (cont'd.)

(f) Fair values (cont'd.)

	Note	Group		Company	
		Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
At 31 December 2013					
Financial asset					
Trade and other receivables under contract dispute	48	322,145	#	-	-
Financial liabilities					
Hire purchase payables	20	(131)	(131)	-	-
Term loans	22	(334,265)	(301,089)	-	-
IMTN	24	(300,000)	(300,000)	(300,000)	(300,000)
Bonds	25	(285,065)	(282,528)	(285,065)	(282,528)
MTN	26	(1,000,000)	(974,078)	(1,000,000)	(974,078)
Trade and other payables under contract dispute	48	(225,654)	#	-	-
		<u>(2,145,115)</u>	<u>(1,857,826)</u>	<u>(1,585,065)</u>	<u>(1,556,606)</u>

The fair value of the financial instruments could not be reliably measured due to the ongoing arbitration proceedings, which have been further disclosed in Note 48.

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44. Financial instruments (cont'd.)

(f) Fair values (cont'd.)

The management assessed that cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- (a) Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.
- (b) The fair values of the SUKUK, IMTNs and MTNs are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair value due to the insignificant impact of discounting.

- (c) The fair values of the Group's interest-bearing borrowings and loans are determined by using the discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 December 2014 was assessed to be insignificant.

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44. Financial instruments (cont'd.)

(g) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (i) Loans and receivables ("L&R")
- (ii) Available-for-sale financial assets ("AFS")
- (iii) Other liabilities ("OL")

At 31 December 2014	Note	Carrying amount RM'000	L&R RM'000	OL RM'000
Group				
Financial assets				
Trade receivables, excluding amounts due from contract customers and accrued billings	10	876,821	876,821	-
Other receivables, excluding payment for land acquisition and related costs, prepayment and advances to sub-contractors	11	271,416	271,416	-
Due from related parties	12	224,918	224,918	-
Cash and bank balances	16	950,841	950,841	-
		<u>2,323,996</u>	<u>2,323,996</u>	<u>-</u>
Financial liabilities				
Trade payables, excluding amounts due to contract customers and accrued billings	17	(692,455)	-	(692,455)
Other payables, excluding provision for foreseeable losses and advances received from customers	18	(340,294)	-	(340,294)
Borrowings	19	(2,430,512)	-	(2,430,512)
		<u>(3,463,261)</u>	<u>-</u>	<u>(3,463,261)</u>

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44. Financial instruments (cont'd.)

(g) Categories of financial instruments (cont'd.)

The table below provides an analysis of financial instruments categorised as follows:
(cont'd.)

At 31 December 2014	Note	Carrying amount RM'000	L&R RM'000	OL RM'000
Company				
Financial assets				
Other receivables, excluding prepayment	11	140	140	-
Due from related parties	12	1,867,148	1,867,148	-
Cash and bank balances	16	193,484	193,484	-
		<u>2,060,772</u>	<u>2,060,772</u>	<u>-</u>
Financial liabilities				
Other payables	18	(21,335)	-	(21,335)
Due to related parties	12	(235,568)	-	(235,568)
Borrowings	19	(1,992,385)	-	(1,992,385)
		<u>(2,249,288)</u>	<u>-</u>	<u>(2,249,288)</u>

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44. Financial instruments (cont'd.)

(g) Categories of financial instruments (cont'd.)

The table below provides an analysis of financial instruments categorised as follows:
(cont'd.)

At 31 December 2013	Note	Carrying amount RM'000	L&R RM'000	OL RM'000
Group				
Financial assets				
Trade receivables, excluding amounts due from contract customers and accrued billings	10	699,768	699,768	-
Other receivables, excluding payment for land acquisition and related costs, prepayment and advances to sub-contractors	11	252,581	252,581	-
Due from related parties	12	267,633	267,633	-
Marketable securities	15	65,721	65,721	-
Cash and bank balances	16	973,403	973,403	-
		<u>2,259,106</u>	<u>2,259,106</u>	<u>-</u>
Financial liabilities				
Trade payables, excluding amounts due to contract customers and accrued billings	17	(515,252)	-	(515,252)
Other payables, excluding provision for foreseeable losses and advances received from customers	18	(390,156)	-	(390,156)
Borrowings	19	(1,922,140)	-	(1,922,140)
		<u>(2,827,548)</u>	<u>-</u>	<u>(2,827,548)</u>

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44. Financial instruments (cont'd.)

(g) Categories of financial instruments (cont'd.)

The table below provides an analysis of financial instruments categorised as follows:
(cont'd.)

At 31 December 2013	Note	Carrying amount RM'000	L&R RM'000	OL RM'000
Company				
Financial assets				
Other receivables, excluding prepayment	11	864	864	-
Due from related parties	12	1,129,761	1,129,761	-
Cash and bank balances	16	472,632	472,632	-
		<u>1,603,257</u>	<u>1,603,257</u>	<u>-</u>
Company				
Financial liabilities				
Other payables	18	(13,039)	-	(13,039)
Due to related parties	12	(98,035)	-	(98,035)
Borrowings	19	(1,585,065)	-	(1,585,065)
		<u>(1,696,139)</u>	<u>-</u>	<u>(1,696,139)</u>

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45. Capital management

For the purpose of the Group's capital management, capital includes issued capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group's policy is to try to maintain net gearing ratio not exceeding 1.

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Loans and borrowings	2,430,512	1,922,140	1,992,385	1,585,065
Less: Cash and bank balances	(950,841)	(973,403)	(193,484)	(472,632)
Net debt	<u>1,479,671</u>	<u>948,737</u>	<u>1,798,901</u>	<u>1,112,433</u>
Equity attributable to the owners of the Company	2,234,380	2,204,306	3,025,329	3,116,536
Non-controlling interest	52,762	52,055	-	-
Total capital	<u>2,287,142</u>	<u>2,256,361</u>	<u>3,025,329</u>	<u>3,116,536</u>
Net gearing ratio	<u>65%</u>	<u>42%</u>	<u>59%</u>	<u>36%</u>

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46. Significant events

During the financial year:

(a) Dissolution of a subsidiary

Details of dissolution of a subsidiary are disclosed in Note 7(a).

(b) De-registration of a subsidiary

Details of de-registration of a subsidiary are disclosed in Note 7(b).

(c) Acquisition of a new subsidiary

Details of acquisition of a subsidiary are disclosed in Note 7(c).

(d) Sukuk Murabahah Programme

Details of drawn down of Sukuk Murabahah are disclosed in Note 27.

(e) Employee share options scheme 2013/2023 ("ESOS 2013/2023")

Details of the ESOS 2013/2023 are disclosed in Note 28(d).

47. Subsequent events

(a) Share buy back

The shareholders of the Company had approved an Ordinary Resolution at the Extraordinary General Meeting held on 11 February 2014 for the Company to buy back its own shares up to a maximum of 10% of the issued and paid-up capital of the Company.

Between the reporting date and the date of completion of these financial statements, the Company had bought back 2,623,500 ordinary shares of RM0.50 each ordinary shares of its issued share capital from the open market. The average price paid for the shares bought back was RM1.54 per ordinary share of RM0.50 each. The bought back transactions were financed by internally generated funds. The shares bought back are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

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47. Subsequent events (cont'd.)

(b) Formation of a new joint venture

On 8 March 2015, WCTB has incorporated a joint-venture with Al-Ali Projects Co (W.L.L.) to accept a contract from Lusail Real Estate Development Company for all the works relating to Contract No. CP07-C-1B – Commercial Boulevard Road D3, Road A4, Internal Roads, Utilities and Underground Car Parks 2, 3, 4 and 5 for Lusail Development Project in Doha, Qatar.

The Joint Venture is an unincorporated joint venture between WCTB and Al-Ali Projects Co (W.L.L.), a company incorporated in Qatar. The rights and liabilities of WCTB and Al-Ali Projects Co (W.L.L.) in the joint venture are in the ratio of 70:30.

(c) Proposed right issue of shares and bonus issue of warrants

On 16 March 2015, the Company proposes to undertake the following:-

- (i) A renounceable rights issue of up to 143,226,391 new ordinary shares of RM0.50 each in the Company ("WCT Share(s)" or "Share(s)") ("Rights Share(s)") on the basis of one (1) Rights Share for every 10 existing WCT Shares held on an entitlement date to be determined later ("Proposed Rights Issue of Shares"); and
- (ii) A bonus issue of up to 315,098,061 new warrants in WCT ("Warrant(s) E") on the basis of one (1) free Warrant E for every five (5) existing WCT Shares held on an entitlement date to be determined later after the completion of the Proposed Rights Issue of Shares ("Proposed Bonus Issue of Warrants").

(d) Incorporation of a new subsidiary

On 19 March 2015, WCTL has incorporated a wholly-owned subsidiary company, WCT Land and Development (Australia) Pty Ltd ("WCTLD").

WCTLD is a company incorporated in Victoria, Australia, has an issued and paid-up share capital of AUD1.00 divided into 1 ordinary share of AUD1.00 each. WCTLD is currently dormant and no liabilities will be assumed pursuant to the Incorporation.

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48. Contract dispute

Pursuant to the cancellation of the contract (previously awarded to WCT Berhad (Dubai Branch) and Arabtec Construction LLC ("Arabtec")) in a 50:50 joint venture ("the Joint Venture") by Meydan Group LLC ("Meydan or the Employer") for the construction works in relation to the Nad Al Sheba Racecourse Project ("Contract") in which the Joint Venture was the main contractor and pursuant further to Meydan's subsequent call on the Joint Venture's bank guarantees, the Company, on 11 January 2009, jointly with Arabtec, commenced an arbitration proceeding against Meydan in the Dubai International Arbitration Centre for breach of contract and to enforce the Joint Venture's rights and remedies including the recovery of all amounts due under the Contract as well as damages.

The Joint Venture's bank guarantees that were called comprised the Performance Security amounting to AED461.30 million (Group's share: AED230.65 million or approximately RM206.81 million) and the Advance Payment Guarantee amounting to AED77.30 million (Group's share: AED38.60 million or approximately RM34.61 million). Management has accrued the amount payable on the Performance Security in the Group's consolidated financial statements, and has simultaneously recorded a receivable for the same amount from Meydan, pending resolution of the arbitration. Please refer to Note 3.1(b) on critical judgements for the arbitration proceedings.

The Joint Venture's dispute and claims had been revised from time to time and the Group's share of the current revised claims is in excess of AED1,400 million (or approximately RM1,260 million). On 14 June 2012, Meydan had filed a civil claim ("the Civil Suit") before the Dubai Civil Court contesting the validity of the arbitration tribunal and claiming a sum of AED3,500 million (or approximately RM3,140 million) plus interest.

On 26 February 2013, the Dubai Court dismissed Meydan's the Civil Suit on the grounds that the Dubai International Arbitration Centre ("DIAC") Case No. 02/2009 had not expired by effluxion of time and in view of the valid and binding arbitration agreement between the parties. The Employer had on 24 March 2013 filed a notice of appeal against the dismissal of the Civil Suit.

On 27 February 2013, the Company was informed by Arabtec that its board of directors has agreed to the Employer's proposal for Arabtec and the Employer to withdraw all pending legal cases as between themselves without prejudice to their respective rights and proceed with negotiations for an amicable settlement. Pursuant thereto, Arabtec and the Employer has since withdrawn their respective claims and counterclaims as against themselves, from the DIAC Case 2/2009. The arbitration proceedings continues as between the Company and the Employer and the said arbitration proceedings are presently still pending.

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48. Contract dispute (cont'd.)

On 24 March 2013, the Employer filed a notice of appeal to the Dubai Court of Appeal against the dismissal of the Civil Suit by the Court of First Instance insofar as it concerns Meydan's counterclaims against the Company. On 26 November 2014, the Dubai Court of Appeal confirmed that the arbitral proceedings in DIAC Case No. 02/2009 continue insofar as they concern all outstanding issues between the Company and Meydan and suspended Meydan's Civil Suit until the Final Award to be issued in DIAC Case No. 02/2009.

The management further believes, based on continuing legal opinion received, that the prospects of successfully opposing the Appeal are good and that notwithstanding Arabtec's withdrawal from the arbitration proceedings, WCTB's prospects of success in the arbitration proceedings remain good.

	(Group's 50% share)	
	2014	2013
	RM'000	RM'000
<u>Statement of financial position</u>		
Non-current assets		
Property, plant and equipment	1	1
Trade receivables		
Contract receivables ⁽¹⁾	17,862	16,806
Amounts due from customer for contract work ⁽¹⁾	258,049	242,787
Retention sum receivable ⁽¹⁾	43,172	40,619
Other receivables		
Advances paid to suppliers and sub-contractors ⁽¹⁾	65,074	61,225
Performance security deposits	211,868	199,337
Others	27,943	26,290
	623,969	587,065
Current assets		
Other receivables		
Sundry receivables	2	1
Advances paid to suppliers and sub-contractors	4,418	4,157
	4,420	4,158
Total assets	628,389	591,223

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WCT Holdings Berhad
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48. Contract dispute (cont'd.)

	(Group's 50% share)	
	2014 RM'000	2013 RM'000
Statement of financial position (cont'd.)		
Non-current liabilities		
Trade payables ⁽²⁾	4,765	4,483
Retention sum payable ⁽²⁾	2,781	2,616
Other payables ⁽²⁾	219,349	206,376
Performance security payable to related party	215,961	203,188
Advances received from customer ⁽²⁾	65,074	61,225
Amounts due to related parties	154,921	145,727
	<u>662,851</u>	<u>623,615</u>
Current liabilities		
Trade payables	382	359
Other payables	8,250	7,765
Amount due to related parties		
Retention payable - current portion	4,310	4,055
Advance received from customer	7,249	6,821
	<u>20,191</u>	<u>19,000</u>
Total liabilities	<u>683,042</u>	<u>642,615</u>
Exchange reserve	<u>2,924</u>	<u>(309)</u>
Net liabilities	<u>(54,653)</u>	<u>(51,392)</u>
Deficit	<u>(51,729)</u>	<u>(51,701)</u>

(1) Include receivables of RM292 million (2013: RM275 million) in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecourse project.

(2) Include payables of RM292 million (2013: RM275 million) in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecourse project.

In accordance with the Group's accounting policy relating to contracts where the outcome cannot be estimated reliably, revenue has been recognised only to the extent of contract costs incurred to date, which management considers is not doubtful of recovery and therefore no allowance has been made against the amounts due from the customer for contract work. No profit has been taken up on the contract to date pending the outcome of the Group's claims and conclusion of the arbitration proceedings.

49. Segment information

(a) Reporting format

The Group has 3 reportable segments as described below, which are the Group's strategic business units. Management monitors the operating results of its business segments for the purpose of decision making. Segment performance is evaluated based on profitability and is measured consistently with operating profit in the consolidated financial statements. However, Group's financing and income taxes are managed on a group basis and are not allocated to operating segments.

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49. Segment information (cont'd.)

(b) Business segments

The following are the main business segments:

- (i) engineering and construction - civil engineering works specialising in earthworks, highway construction and related infrastructure works;
- (ii) property development - the development of residential and commercial properties; and
- (iii) property investment - holding of assets for capital appreciation and rental income.

(c) Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. The Group's business segments operate in four main geographical areas:

- (i) Malaysia - the operations in this area are principally engineering and constructions, property development, trading, property investment and investment holding;
- (ii) Middle East - the operations in this area are principally through the construction of a government administration building in Doha, Qatar, a shopping mall in Kingdom of Bahrain, construction and design of highway and airport in Doha, Qatar, Dubai and the construction of F1 Circuit in Abu Dhabi;
- (iii) India - the operations in this area are principally the construction of highway and concessionaires.
- (iv) Others - primarily investment holding companies in Mauritius and Vietnam; and

(d) Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

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49. Segment information (cont'd.)

Business segments

The following table provides an analysis of the Group's revenue, results, assets and liabilities by business segments:

	Engineering and construction RM'000	Property development RM'000	Property investment and management RM'000	Unallocated RM'000	Eliminations RM'000	Consolidated RM'000
31 December 2014						
Revenue						
Revenue from external customers	1,210,582	391,722	59,918	-	-	1,662,222
Inter-segment revenue	723,992	7,682	-	-	(731,674)	-
Total revenue	1,934,574	399,404	59,918	-	(731,674)	1,662,222
Result						
Profit from operations	85,786	73,529	34,990	-	-	194,305
Finance costs	-	-	-	-	-	(60,233)
Share of profit of associates	-	-	-	8,393	-	8,393
Share of profit of joint ventures	-	1,087	5,902	-	-	6,989
Taxation	-	-	-	-	-	(28,483)
Segment profit						120,971
Assets and liabilities						
Segment assets	2,889,078	1,942,207	867,355	629	-	5,699,269
Interest in						
- associates	-	-	-	132,361	-	132,361
- joint ventures	-	-	395,384	-	-	395,384
						6,227,014
Segment liabilities	1,956,823	1,304,172	678,824	53	-	3,939,872

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49. Segment information (cont'd.)

Business segments (cont'd.)

The following table provides an analysis of the Group's revenue, results, assets and liabilities by business segments: (cont'd.)

	Engineering and construction RM'000	Property development RM'000	Property investment and management RM'000	Unallocated RM'000	Eliminations RM'000	Consolidated RM'000
31 December 2013						
Revenue						
Revenue from external customers	1,168,388	425,070	61,493	-	-	1,654,951
Inter-segment revenue	924,663	10,741	-	-	(935,404)	-
Total revenue	<u>2,093,051</u>	<u>435,811</u>	<u>61,493</u>	-	<u>(935,404)</u>	<u>1,654,951</u>
Result						
Profit from operations	129,306	93,623	79,744	-	-	302,673
Finance costs	-	-	-	-	-	(67,631)
Share of profit of associates	-	-	-	12,124	-	12,124
Share of profit of joint venture	-	(2,954)	10,031	-	-	7,077
Taxation	-	-	-	-	-	(64,492)
Segment profit						<u>189,751</u>
Assets and liabilities						
Segment assets	2,672,941	1,645,521	772,163	719	-	5,091,344
Interest in						
- associates	-	-	-	127,584	-	127,584
- joint venture	-	-	315,694	-	-	<u>315,694</u>
						<u>5,534,622</u>
Segment liabilities	<u>1,620,132</u>	<u>1,044,122</u>	<u>613,976</u>	<u>31</u>	-	<u>3,278,261</u>

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49. Segment information (cont'd.)

Geographical segments

The following table provides an analysis of the Group's revenue and assets, analysed by geographical segments:

	Total revenue from external customers		Segment assets	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Malaysia	1,188,063	1,116,884	4,835,272	4,242,639
Middle East	474,159	538,067	1,238,610	1,146,029
India	-	-	134,372	129,581
Others	-	-	18,760	16,373
Consolidated	<u>1,662,222</u>	<u>1,654,951</u>	<u>6,227,014</u>	<u>5,534,622</u>

The Group has no significant concentration of credit risk that may arise from exposures to a single receivable or to groups of receivables for the debts due from related companies. The Group's normal trade credit terms for trade receivables are 30 to 90 days (2013: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

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50. Prior year adjustments

During the financial year, the Company made prior year adjustments in relation to the reclassification of employee share option scheme. This amount has been restated as prior year adjustment in the statement of financial position.

	As restated RM'000	Adjustments RM'000	Previously stated RM'000
Company			
Statements of financial position			
Investments in subsidiaries	3,212,020	4,578	3,207,442
Investments in joint ventures	135	28	107
Due to related parties	(98,035)	(4,606)	(93,429)

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51. Supplementary information

The following analysis is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the context of disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Securities.

	Group	
	2014	2013
	RM'000	RM'000
Total retained profits of the Company and its subsidiaries:-		
- Realised	1,019,761	1,007,374
- Unrealised	142,273	133,279
	<u>1,162,034</u>	<u>1,140,653</u>
Total share of retained profits/ (accumulated losses) from associates:-		
- Realised	99,566	92,818
- Unrealised	(337)	(327)
	<u>99,229</u>	<u>92,491</u>
Total share of (accumulated losses)/ retained profits from jointly controlled entities:-		
- Realised	(47,851)	(65,292)
- Unrealised	131,184	140,032
	<u>83,333</u>	<u>74,740</u>
Less: Consolidation adjustments	<u>(235,535)</u>	<u>(253,762)</u>
Total Group retained profits as per consolidated accounts	<u>1,109,061</u>	<u>1,054,122</u>

UNAUDITED QUARTERLY REPORT OF OUR GROUP FOR THE THREE (3)-MONTH FPE 31 MARCH 2015

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LOH CHEE MUN
(MAICSA 7025198)
Company Secretary



WCT HOLDINGS BERHAD
(Company Number : 930464-M)
(Incorporated in Malaysia)

Date : 25 May 2015

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2015

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WCT HOLDINGS BERHAD

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED INCOME STATEMENT FOR THE FIRST QUARTER ENDED
31 MARCH 2015**

(The figures have not been audited)

CONSOLIDATED INCOME STATEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 31.3.2015) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 31.3.2014) RM'000	CURRENT YEAR TO DATE (3 months to 31.3.2015) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 31.3.2014) RM'000
Revenue	351,621	467,221	351,621	467,221
Cost of sales	(296,683)	(384,514)	(296,683)	(384,514)
Gross profit	54,938	82,707	54,938	82,707
Other income	21,608	5,472	21,608	5,472
Other expenses	(2,342)	(4,067)	(2,342)	(4,067)
Administrative expenses	(14,937)	(16,884)	(14,937)	(16,884)
Finance costs	(20,011)	(15,069)	(20,011)	(15,069)
Share of profit after tax of associates	2,137	2,364	2,137	2,364
Share of profit after tax of joint ventures	1,352	2,230	1,352	2,230
	42,745	56,753	42,745	56,753
Income tax expense	(9,449)	(16,205)	(9,449)	(16,205)
Profit for the period	33,296	40,548	33,296	40,548
Attributable to:				
Equity holders of the Company	33,214	40,097	33,214	40,097
Non-controlling interest	82	451	82	451
Profit for the period	33,296	40,548	33,296	40,548
Attributable to equity holders of the Company :				
Basic earnings per share (sen)	3.09	3.67	3.09	3.67
Fully diluted earnings per share (sen)	N/A *	3.65	N/A *	3.65

* N/A - Not applicable

(The consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.)

WCT HOLDINGS BERHAD

(Company Number : 930464-M)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED INCOME STATEMENT FOR THE FIRST QUARTER ENDED
31 MARCH 2015**

(The figures have not been audited)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2015

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 31.3.2015) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 31.3.2014) RM'000	CURRENT YEAR TO DATE (3 months to 31.3.2015) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 31.3.2014) RM'000
Profit for the period	33,296	40,548	33,296	40,548
Other comprehensive income/(loss):				
Currency translation differences arising from consolidation	9,999	1,194	9,999	1,194
Other comprehensive income/(loss) for the period, net of tax	9,999	1,194	9,999	1,194
Total comprehensive income for the period	43,295	41,742	43,295	41,742
Total comprehensive income/(loss) for the period attributable to :				
Equity holders of the Company	41,333	43,949	41,333	43,949
Non-controlling interest	1,962	(2,207)	1,962	(2,207)
	43,295	41,742	43,295	41,742

(The consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.)

WCT HOLDINGS BERHAD

(Company Number : 930464-M)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

	AS AT CURRENT QUARTER 31.3.2015	AS AT FINANCIAL YEAR ENDED 31.12.2014
	UNAUDITED RM'000	AUDITED RM'000
ASSETS		
<u>Non-current assets</u>		
Property, plant and equipment	234,853	235,656
Land held for property development	1,118,068	991,553
Investment properties	740,956	737,813
Investment in associates	144,008	132,361
Investment in joint ventures	395,702	395,384
Trade receivables	1 583,493	653,928
Other receivables	1 317,280	300,215
Due from related parties	11,060	9,919
Deferred tax assets	22,404	21,445
	3,567,824	3,478,274
<u>Current assets</u>		
Property development costs	448,190	423,173
Inventories	89,777	90,710
Trade receivables	767,271	876,644
Other receivables	171,919	167,643
Due from related parties	229,894	214,999
Tax recoverable	26,795	24,730
Cash and bank balances	770,621	950,841
	2,504,467	2,748,740
TOTAL ASSETS	6,072,291	6,227,014
EQUITY AND LIABILITIES		
<u>Equity attributable to equity holders of the Company</u>		
Share capital	546,276	546,276
Share premium	2,174,151	2,174,151
Reserves	(417,448)	(458,781)
Treasury shares, at costs	(31,297)	(27,266)
	2,271,682	2,234,380
Non-controlling interest	54,724	52,762
Total equity	2,326,406	2,287,142

WCT HOLDINGS BERHAD

(Company Number : 930464-M)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015 (Cont'd.)

	AS AT CURRENT QUARTER 31.3.2015	AS AT FINANCIAL YEAR ENDED 31.12.2014
	UNAUDITED RM'000	AUDITED RM'000
EQUITY AND LIABILITIES (Cont'd)		
<u>Long-term liabilities</u>		
Trade payables	2 96,657	89,379
Other payables	2 327,297	328,370
Borrowings	1,871,759	1,846,400
Deferred tax liabilities	34,401	35,400
	<u>2,330,114</u>	<u>2,299,549</u>
<u>Current liabilities</u>		
Trade payables	681,138	835,482
Other payables	181,164	207,529
Borrowings	540,615	584,112
Tax payable	12,854	13,200
	<u>1,415,771</u>	<u>1,640,323</u>
Total Liabilities	<u>3,745,885</u>	<u>3,939,872</u>
TOTAL EQUITY AND LIABILITIES	<u>6,072,291</u>	<u>6,227,014</u>
Net asset per share (RM)	2.11	2.07

(1) Included receivables of RM310 million in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecourse project.

(2) Included payables of RM310 million in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecourse project.

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.)

WCT HOLDINGS BERHAD

(Company Number : 930464-M)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2015

	UNAUDITED CUMULATIVE PERIOD CURRENT YEAR TO DATE 31.3.2015 RM'000	CUMULATIVE PERIOD PRECEDING YEAR CORRESPONDING 31.3.2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	42,745	56,753
Adjustments for:-		
Non-cash items	(17,384)	2,260
Non-operating items - financing	7,993	2,932
Non-operating items - investing	(3,872)	(4,327)
Operating profit before working capital changes	<u>29,482</u>	<u>57,618</u>
Net changes in current assets	27,771	13,239
Net changes in current liabilities	(174,496)	(153,986)
Cash flows used in operations	<u>(117,243)</u>	<u>(83,129)</u>
Interest paid	(26,331)	(13,264)
Interest received	12,018	12,137
Taxation paid	(13,764)	(13,963)
Net cash used in operating activities	<u>(145,320)</u>	<u>(98,219)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment	(2,731)	(1,952)
Investment Properties	(6,123)	(2,217)
Purchase of marketable securities	-	(486)
Withdrawal/(placement) in		
- FSRA account	-	102,274
- deposits in licensed banks	-	(6,675)
Net cash (used in)/generated from investing activities	<u>(8,854)</u>	<u>90,944</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from conversion of warrants	-	1
Purchase of treasury shares	(4,030)	(10,055)
Bank borrowings	(21,564)	(92,649)
Net cash used in financing activities	<u>(25,594)</u>	<u>(102,703)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	(179,768)	(109,978)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	944,482	867,524
Foreign exchange differences	(1,979)	1,226
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD *	<u>762,735</u>	<u>758,772</u>

* Cash & cash equivalents excludes fixed deposits with licensed bank amounting to RM770,000 and deposits with maturities more than 3 months amounting to RM159,855.

(The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.)

**WCT HOLDINGS BERHAD (“WCT” OR “THE COMPANY”) (930464-M)
 QUARTERLY UNAUDITED RESULTS OF THE GROUP FOR THE FIRST QUARTER ENDED 31
 MARCH 2015**

**A EXPLANATORY NOTES IN COMPLIANCE WITH FINANCIAL REPORTING STANDARDS
 (“FRS”) 134, INTERIM FINANCIAL REPORTING**

A1 Basis of Preparation

The interim financial statements have been prepared under the historical cost convention except for revaluation of freehold land and buildings included in property, plant and equipment and investment properties which are stated at fair values.

The interim financial statements are unaudited and have been prepared in compliance with FRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2014. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2014.

A2 Changes in Accounting Policies

The significant accounting policies adopted by the Group are consistent with those of the audited financial statements for the year ended 31 December 2014, except for the adoption of the following new Financial Reporting Standards (“FRSs”) and Amendments to FRSs with effect from 1 January 2015.

FRSs, Amendments to FRSs and Interpretations

Description	Effective for annual periods beginning on or after
• Amendments to FRS 119: <i>Defined Benefit Plans: Employee Contributions</i>	1 July 2014
• Annual Improvements to FRSs 2010–2012 Cycle	1 July 2014
• Annual Improvements to FRSs 2011–2013 Cycle	1 July 2014

The adoption of the above standards will have no material impact on the financial statements in the period of initial application.

A2 Changes in Accounting Policies (Cont'd)

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework"). The MFRS Framework comprises Standards as issued by the International Accounting Standards Board ("IASB") that are effective on 1 January 2012. It also comprises new/revised Standards that will be effective after 1 January 2012. All other Standards under the FRS framework where no new/revised Standards that will be effective after 1 January 2012 will transition to MFRS Framework with no further amendments.

The MFRS Framework is to be applied to all entities other than private entities with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estates including its parent, significant investor and venturer ("Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for 3 years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2017.

The Group falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2017. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2017.

A3 Audit Qualification

There was no audit qualification in the auditors' report of the Company's previous financial statements for the financial year ended 31 December 2014.

A4 Seasonal Or Cyclical Factors

For the period under review, the business operations of the Group were not significantly affected by any seasonal or cyclical factor.

A5 Items Of Unusual Nature

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter under review.

A6 Changes In Estimate

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the quarter ended 31 March 2015.

A7 Changes In Debt and Equity Securities

Save as disclosed below, there were no issuance, cancellation, resale, repurchase and repayment of debts and equity securities during the period under review.

Share buy back

During the first quarter of 2015, the Company repurchased 2,623,500 ordinary share of RM0.50 each of its issued share capital from the open market, at an average costs of RM1.54 each. The total consideration paid for the share buy-back including transaction costs during the current financial quarter amounted to RM4.030 million and were financed by internally generated funds. The shares bought back are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

	No of Treasury Shares '000	Treasury Shares RM'000
Balance as at 1 January 2015	14,966	27,266
Repurchased during the period	2,623	4,030
Distributed as dividend during the period	-	-
	17,589	31,296
	17,589	31,296

None of the treasury shares held were resold or cancelled during the quarter under review.

A8 Dividends

Please refer to Explanatory Note B11.

WCT HOLDINGS BERHAD (Company Number : 930464-M)
 Quarterly Unaudited Results of the Group for the First Quarter ended 31 March 2015

A9 Segmental Information

	Engineering and construction	Property development	Property investment and management	Unallocated	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months period ended 31 March 2015						
Revenue						
External	249,928	87,300	14,393	-	-	351,621
Inter segment	146,667	8,434	-	-	(155,101)	-
	<u>396,595</u>	<u>95,734</u>	<u>14,393</u>	<u>-</u>	<u>(155,101)</u>	<u>351,621</u>
Segment results						
Profit from operations	27,436	25,562	6,269	-	-	59,267
Finance costs	-	-	-	-	-	(20,011)
Share of profits of associates	-	-	-	2,137	-	2,137
Share of profits of joint ventures	-	(135)	1,487	-	-	1,352
Taxation	-	-	-	-	-	(9,449)
Profit for the period						<u>33,296</u>
Profit attributable to :-						
- Equity holders of the Company						33,214
- Non-controlling interest						82
						<u>33,296</u>
3 months period ended 31 March 2014						
Revenue						
External	327,037	126,442	13,742	-	-	467,221
Inter segment	56,283	928	-	-	(57,211)	-
	<u>383,320</u>	<u>127,370</u>	<u>13,742</u>	<u>-</u>	<u>(57,211)</u>	<u>467,221</u>
Segment results						
Profit from operations	36,708	23,755	6,765	-	-	67,228
Finance costs	-	-	-	-	-	(15,069)
Share of profits of associates	-	-	-	2,364	-	2,364
Share of profits of joint ventures	-	22	2,208	-	-	2,230
Taxation	-	-	-	-	-	(16,205)
Profit for the period						<u>40,548</u>
Profit attributable to :-						
- Equity holders of the Company						40,097
- Non-controlling interest						451
						<u>40,548</u>

A10 Carrying Amount Of Revalued Assets

The valuations of investment properties and property, plant and equipment have been brought forward without amendment from the audited financial statements for the financial year ended 31 December 2014.

A11 Subsequent Material Events

There were no material events subsequent to the reporting period up to 19 May 2015 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) which have not been reflected in the financial statements for the quarter under review.

A12 Effect Of Changes In The Composition Of The Group

- (i) On 8 March 2015, WCT Berhad, a wholly-owned subsidiary of the Company, via a joint venture with Al-Ali Projects Co (W.L.L.) has accepted a contract from Lusail Real Estate Development Company for all the works relating to Contract No. CP07-C-1B – Commercial Boulevard Road D3, Road A4, Internal Roads, Utilities and Underground Car Parks 2, 3, 4 and 5 for Lusail Development Project in Doha, Qatar.

The Joint Venture is an unincorporated joint venture between WCTB and Al-Ali Projects Co (W.L.L.), a company incorporated in Qatar. The rights and liabilities of WCTB and Al-Ali Projects Co (W.L.L.) in the joint venture are in the ratio of 70:30.

- (ii) On 19 March 2015, WCT Land Sdn Bhd, a wholly-owned subsidiary of the Company, has incorporated a wholly-owned subsidiary company, WCT Land and Development (Australia) Pty Ltd ("WCTLTD").

WCTLTD is a company incorporated in Victoria, Australia, has an issued and paid up share capital of AUD1.00 divided into 1 ordinary share of AUD1.00 each. WCTLTD is currently dormant and no liabilities will be assumed pursuant to the Incorporation.

Save as disclosed above, there were no changes in the composition of the Group during the period under review.

A13 Contingent Liabilities

Contingent liabilities of the Group as at 19 May 2015 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) comprised bank guarantees and letters of credit totaling RM731.293 million and RM30.578 million respectively provided by the Group to various parties in the ordinary course of business and tax matters under appeal amounting to RM3.9 million. The changes in contingent liabilities since 19 February 2015 are as follows:-

(a)	Bank Guarantees RM'000	Letter of credit RM'000
Balance as at 19 February 2015	746,324	28,091
Extended/utilised during the period	51,604	3,139
Discharged/paid during the period	(66,635)	(652)
	731,293	30,578
	731,293	30,578

- (b) The tax matters under appeal of the Group totaling RM3.9 million are in respect of corporation tax and service tax of a foreign subsidiary.

A14 Capital Commitments

There are no material commitments except for as follows:-

	RM'000
Approved and contracted for :	
Property, plant and equipment	94,667
Investment property	386,209
Share of capital commitment of joint operations	89,786
	570,662
	570,662

A15 Significant Related Party Transactions

<u>The Group</u>	RM'000
Contract revenue from joint ventures	11,485
Rent expense payable to a joint venture	(14)
Interest receivable from joint ventures	2,933
Management fee receivable from joint ventures	27
Sales of properties to Directors and persons connected with the Directors	3,471
	3,471
	3,471

B EXPLANATORY NOTES IN COMPLIANCE WITH LISTING REQUIREMENTS OF THE BURSA MALAYSIA

B1 Review of performance

For the current quarter, the Group recorded revenue and net profit of RM352 million and RM33 million respectively as compared to RM467 million and RM40 million respectively in the preceding year corresponding quarter. The lower turnover is mainly due to completion of several projects and we expect contribution from the new projects to increase in the second half of the year.

Engineering and construction segment recorded revenue and operational profit of RM250 million (2014:RM327 million) and RM27 million (2014:RM37 million) respectively. The decrease in operating profit is attributable to lower contribution from overseas division.

Property development and investment segments registered revenue and operational profit of RM102 million (2014:RM140 million) and RM32 million (2014:RM31 million) respectively.

Basic earning per share for current quarter is lower at 3.09 sen as compared to 3.67 sen recorded in the preceding year corresponding quarter.

B2 Comparison With Immediate Preceding Quarter's Results

For the current quarter under review, the Group recorded revenue and net profit of RM352 million and RM33 million as compared to RM322 million and RM23 million reported in the immediate preceding quarter. The higher profit is mainly due to better product margin from property sales.

B3 Profit for the period

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months period To 31.3.2015) RM'000	PRECEDING YEAR CORRESPONDING (3 months period To 31.3.2014) RM'000	CURRENT YEAR TO DATE (3 months period To 31.3.2015) RM'000	PRECEDING YEAR CORRESPONDING (3 months period To 31.3.2014) RM'000
Profit for the period is arrived at after crediting/ (charging):				
Interest income	2,205	6,467	2,205	6,467
Interest from joint ventures	2,933	1,933	2,933	1,933
Murabahah & Mudarabah profit	4,347	-	4,347	-
Interest expense	(20,011)	(15,069)	(20,011)	(15,069)
Depreciation and amortisation	(1,820)	(1,373)	(1,820)	(1,373)
Bad debts written off	-	(1,964)	-	(1,964)
Reversal of allowance for impairment of trade and other receivables	-	991	-	991
Gain/(loss) on disposal of property, plant and equipment	383	(267)	383	(267)
Gain/(loss) on foreign exchange	18,461	(5,908)	18,461	(5,908)

B4 Prospect For Financial Year 2015

With the impending implementation of 11th Malaysia Plan and roll out of mega infrastructure projects, the Group is cautiously optimistic to achieve satisfactory results for the financial year ending 31 December 2015.

B5 Variance Of Actual Profit From Forecast Profit

Not applicable to the Group.

B6 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR	PRECEDING	CURRENT YEAR	PRECEDING
	QUARTER	YEAR	TO DATE	YEAR
		CORRESPONDING		CORRESPONDING
	(3 months period To 31.3.2015)	(3 months period To 31.3.2014)	(3 months period To 31.3.2015)	(3 months period To 31.3.2014)
	RM'000	RM'000	RM'000	RM'000
Taxation comprises:				
Income tax				
- current year	11,406	14,938	11,406	14,938
- prior years	-	737	-	737
Deferred taxation	(1,957)	530	(1,957)	530
	<u>9,449</u>	<u>16,205</u>	<u>9,449</u>	<u>16,205</u>

The Group's effective tax rate (excluding the results of associates and joint ventures which are equity accounted net of tax) for the current quarter ended 31 March 2015 is lower than the statutory tax rate mainly due to certain income which is not subjected to income tax.

The Group's effective tax rate (excluding the results of associates and joint ventures which are equity accounted net of tax) for the corresponding quarter ended 31 March 2014 is higher than the statutory tax rate mainly due to certain expenses not deductible for tax purposes.

B7 Status of Corporate Proposals Announced

Save as disclosed below, the Group did not announce any corporate proposal which has not been completed as at 19 May 2015 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

On 16 March 2015, the Company proposes to undertake the following:-

- (i) A renounceable rights issue of up to 143,226,391 new ordinary shares of RM0.50 each in the Company ("WCT Share(s)" or "Share(s)") ("Rights Share(s)") on the basis of one (1) Rights Share for every 10 existing WCT Shares held on an entitlement date to be determined later ("Proposed Rights Issue of Shares"); and
- (ii) A bonus issue of up to 315,098,061 new warrants in WCT ("Warrant(s) E") on the basis of one (1) free Warrant E for every five (5) existing WCT Shares held on an entitlement date to be determined later after the completion of the Proposed Rights Issue of Shares ("Proposed Bonus Issue of Warrants").

B7 Status of Corporate Proposals Announced (Cont'd)

(Collectively referred to as the "Proposals")

The Company had obtained the approval of the Bursa Malaysia Securities Berhad ("Bursa Securities") vide its letter dated 20 April 2015 for the admission and listing and quotation of the Proposed Rights Issue of Shares and Proposed Bonus Issue of Warrants.

On 23 April 2015, the Company had resolved to fix the following prices pursuant to the Proposals:-

- (a) the issue price of the Rights Shares at RM1.00 per Rights Share; and
- (b) the exercise price of the Warrants E at RM2.08 per Warrant E.

Subsequently, the Company's shareholders approved the Proposals at the Extraordinary General Meeting held on 19 May 2015.

The Proposals is expected to be completed by third quarter of 2015.

B8 Realised and Unrealised Profits

The breakdown of retained profits of the Group both realized and unrealized as at the reporting date pursuant to the directive issued by Bursa Malaysia Securities on 25 March 2010 are as follow:

	As at 31.3.2015 RM'000	As at 31.12.2014 RM'000
Total retained profits of the Company and its subsidiaries:-		
- Realised	1,031,898	1,019,761
- Unrealised	155,331	142,273
	<u>1,187,229</u>	<u>1,162,034</u>
Total share of retained profits/(losses) from associates:-		
- Realised	101,731	99,566
- Unrealised	(365)	(337)
	<u>101,366</u>	<u>99,229</u>
Total share of (accumulated losses)/retained profits from jointly arrangement:-		
- Realised	(25,262)	(30,566)
- Unrealised	129,112	130,747
	<u>103,850</u>	<u>100,181</u>
Less : Consolidation adjustment	<u>(250,127)</u>	<u>(252,383)</u>
Total Group retained profits as per consolidated accounts	<u>1,142,318</u>	<u>1,109,061</u>

B9 Group Borrowing And Debt Securities

Detail of group borrowings are as follows:-

	As at 31.3.2015 RM'000	As at 31.12.2014 RM'000
Long Term Bank Borrowings		
<u>Secured:-</u>		
Long Term Loan	271,759	246,400
	<u>271,759</u>	<u>246,400</u>
<u>Unsecured:-</u>		
Sukuk Murabahah	600,000	600,000
MTN	1,000,000	1,000,000
	<u>1,600,000</u>	<u>1,600,000</u>
	<u>1,871,759</u>	<u>1,846,400</u>
Short Term Bank Borrowings		
<u>Secured :-</u>		
Hire Purchase Creditors	-	7
Revolving Credit	88,000	88,000
Term Loans	21,600	21,600
	<u>109,600</u>	<u>109,607</u>
<u>Unsecured :-</u>		
Trust Receipt	10,701	-
Bank Overdraft	6,956	5,429
BONDS	294,283	292,385
Revolving credit	47,775	43,049
IMTN	-	100,000
Term loan	71,300	33,642
	<u>431,015</u>	<u>474,505</u>
	<u>540,615</u>	<u>584,112</u>
Total Bank Borrowings	<u>2,412,374</u>	<u>2,430,512</u>

Key:

Sukuk Murabahah - RM1.5 billion Sukuk Murabahah Programme

BONDS - Serial Fixed Rate Bonds

MTN - Medium Term Notes

IMTN - Islamic Medium Term Notes

B10 Material Litigation

Except as disclosed below, there are no material litigation pending since 31 December 2013 (being the date of the last annual statement of financial position) to 19 May 2015 (being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) in which the Group is engaged either as plaintiff or defendant, and the Board of the Company has no knowledge of any proceedings pending or threatened against the Company or of any facts likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group during the said period.

Status update on the arbitration proceedings in relation to the Cancellation of the Nad Al Sbeha Racecourse, Dubai, U.A.E. contract ("the Cancellation"):

The Arbitration Tribunal to resolve the dispute between the Company (jointly with Arabtec Construction LLC, ("Joint Venture") as Claimants) and Meydan Group LLC (formerly known as Meydan LLC, as Respondent) ("Employer") in relation to the Cancellation had been duly constituted with the appointment of the Tribunal Chairman and the respective Co-Arbitrators by the Dubai International Arbitration Centre ("DIAC") and the proceedings have proceeded pursuant thereto. In the course of the proceedings, the Joint Venture's dispute and claims had been revised from time to time and at present, totals approximately AED2.8 billion. The Employer has taken the position that the DIAC Case No. 02/2009 have expired by effluxion of time. After deliberation, the arbitration Tribunal in DIAC Case No. 02/2009 had on 9 June 2012 rejected conclusively the Employer's submission that the arbitration proceedings have expired by effluxion of time. Notwithstanding the arbitration Tribunal's decision above, the Employer had on 14 June 2012 brought its counterclaims in relation to what was DIAC Case No. 02/2009 before the Dubai Courts under Commercial Action No. 1066/2012 ("Civil Suit"), claiming against the JV, a sum of AED3.5 billion. On 26 February 2013, the Dubai Court of First Instance dismissed the Civil Suit on the grounds that the DIAC Case No. 02/2009 had not expired by effluxion of time and in view of the valid and binding arbitration agreement between the parties.

On 27 February 2013, the Company was informed by Arabtec that its board of directors has agreed to the Employer's proposal ("Proposal") for Arabtec and the Employer to withdraw all pending legal cases as between themselves without prejudice to their respective rights and proceed with negotiations for an amicable settlement. Pursuant thereto, Arabtec and the Employer has since withdrawn their respective claims and counterclaims as against themselves, from the DIAC Case 2/2009. The arbitration proceedings continues as between the Company and the Employer in respect of the Company's rights in its share of the Joint Venture's claims namely approximately AED1.4 billion and the said arbitration proceedings are presently still on-going.

On 24 March 2013, the Employer filed a notice of appeal to the Dubai Court of Appeal against the dismissal of the Civil Suit by the Court of First Instance insofar as it concerns Meydan's counterclaims against the Company. On 26 November 2014, the Dubai Court of Appeal confirmed that the arbitral proceedings in DIAC Case No. 02/2009 continue insofar as they concern all outstanding issues between the Company and Meydan and suspended Meydan's Civil Suit until the Final Award to be issued in DIAC Case No. 02/2009. Both the Employer and the Company has filed an appeal to the Court of Cassation and the appeals are still pending.

The Company is, based on continuing legal opinion received, of the view that notwithstanding Arabtec's withdrawal, the Company's chances of success in the arbitration proceedings in DIAC Case No. 02/2009 remain good.

B11 Dividends

	Paid in Year Ending 31 Dec 2015 RM'000	Paid in Year Ended 31 Dec 2014 RM'000
<u>Final dividend paid</u>		
For the financial year ended 31 December 2013		
- Single tier dividend of 3.25 sen per ordinary share of RM0.50	-	35,278
<u>Single tier interim dividend paid</u>		
For the financial year ended 31 December 2014		
- Cash dividend of 1.25 sen per ordinary share of RM0.50	-	13,516
- Share dividend of 1 treasury share for every 100 ordinary shares of RM0.50 each held	-	23,321
Total net dividend paid	-	<u>72,115</u>

A final single tier dividend comprising cash dividend of 1.0 sen per ordinary share of RM0.50 each and share dividend on the basis of 1 treasury share for every 100 existing ordinary shares of RM0.50 each held, for the financial year ended 31 December 2014 was approved by the shareholders at the Annual General Meeting held on 19 May 2015.

The entitlement date for the final dividend is fixed on 26 May 2015 and a Depositor shall qualify for entitlement only in respect of:-

- i) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 26 May 2015 in respect of ordinary transfer; and
- ii) Shares bought on the Bursa Securities on a cum entitlement basis in accordance with the Rules of Bursa Securities.

The final dividend will be payable and credited into the entitled Depositors' Securities Account on 16 June 2015.

B12 Earnings Per Share

	Reporting Quarter / Current Year To Date 31.3.2015
(a) Basic Earnings Per Share	
Profit attributable to the equity holders of the parent (RM'000)	33,214
Weighted average number of ordinary shares in issue ('000)	1,076,179
Basic earnings per share (sen)	3.09

(b) Fully Diluted Earnings Per Share

No diluted earnings per share is disclosed as the all potential ordinary shares are antidilutive.

B13 Comparative Figures

Comparative figures, where applicable, have been modified to conform to the current quarter presentation.

Date: 25th May 2015

DIRECTORS' REPORT



Date: **24 JUN 2015**

To: The Shareholders of WCT Holdings Berhad ("WCT" or the "Company")

On behalf of the Board of Directors of WCT ("Board"), I wish to report that after making due enquiries in relation to WCT and its subsidiaries ("Group") during the period between 31 December 2014, being the date to which the latest audited consolidated financial statements of our Group have been made up, and the date of this letter, being a date not earlier than 14 days before the date of this Abridged Prospectus:-

- i. In the opinion of the Board, the business of our Group has been satisfactorily maintained;
- ii. In the opinion of the Board, no circumstances have arisen since the latest audited consolidated financial statements of our Group which have adversely affected the trading or the value of the assets of our Group;
- iii. The current assets of our Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- iv. Save as disclosed in this Abridged Prospectus, there are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by our Group;
- v. There has been no default or any known event that could give rise to a default situation in respect of payment of either interest and/ or principal sums in relation to any borrowings in our Group since the latest audited consolidated financial statements of our Group; and
- vi. Save as disclosed in this Abridged Prospectus, there have been no material changes in the published reserves or any unusual factors affecting the profits of our Group since the latest audited consolidated financial statements of our Group.

Yours faithfully,
For and on behalf of the Board of

WCT Holdings Berhad
(Company No: 930464-M)

.....
Director

.....
Director

WCT Holdings Berhad (930464-M)

No. 12, Jalan Majistret U1/26, Seksyen U1, Hicom-Glenmarie Industrial Park,
40150 Shah Alam, Selangor D.E., Malaysia.
Tel: +(603) 7805 2266 Fax: +(603) 7804 9877
Email: enquiries@wct.my www.wct.com.my

ADDITIONAL INFORMATION

1. SHARE CAPITAL

- i. Save for the Rights Shares, no other securities in our Company will be allotted or issued on the basis of this Abridged Prospectus later than 12 months after the date of this Abridged Prospectus.
- ii. As at the LPD, there is no founder, management, deferred shares or preference shares in the share capital of our Company. There is only one (1) class of shares in our Company, namely the ordinary shares of RM0.50 each, all of which rank *pari passu* with one another.
- iii. As at the LPD, save as disclosed below, no person has been or is entitled to be granted an option to subscribe for any of our securities:-
 - a) The Rights Shares to be provisionally allotted to the Entitled Shareholders pursuant to the Rights Issue of Shares;
 - b) The Warrants C which were issued on 1 July 2013 and due to expire on 10 March 2016. Holders of the Warrants C are entitled to subscribe for one (1) WCT Share at an exercise price of RM2.04 per Warrant C (subject to adjustments to be made in accordance with the deed poll dated 1 July 2013). The Warrants C were issued at an offer price of RM0.34 per Warrant C;
 - c) The Warrants D which were issued on 1 July 2013 and due to expire on 11 December 2017. Holders of the Warrants D are entitled to subscribe for one (1) WCT Share at an exercise price of RM2.25 per Warrant D (subject to adjustments to be made in accordance with the deed poll dated 1 July 2013). The Warrants D were issued at no cost to the entitled shareholders of WCT; and
 - d) On 26 April 2013, an ESOS for the eligible employees and directors of our Group was approved at the EGM. The ESOS became effective on 19 July 2013 and is in force for a period of 10 years. The price at which the option holder is entitled to subscribe for new WCT Shares may be set at a discount of not more than 10% from the five (5)-day WAMP of WCT Share immediately preceding the date of offer or par value of WCT Shares, whichever is higher. As consideration for the grant of the ESOS Options, the selected persons shall, upon acceptance of the Offer, pay to our Company a nominal non-refundable sum of RM1.00.

For information purposes, our Company will issue Warrants E pursuant to the Bonus Issue of Warrants to be undertaken after completion of the Rights Issue of Shares. The Warrants E will be issued at no cost to the entitled shareholders with an exercise price of RM2.08 per Warrant E.

- iv. All the Rights Shares shall upon allotment and issuance, rank *pari passu* in all respects with the existing WCT Shares, save and except that such Rights Shares will not be entitled to any dividends, rights, allotments and/ or other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of such Rights Shares.

2. DIRECTORS' REMUNERATION

The provisions in our Articles of Association in relation to the remuneration of our Directors are set out below:-

Article 77 - Remuneration of Directors

The remuneration of the Directors shall from time to time be determined by the Company in general meeting. Fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting. The remuneration shall be deemed to accrue from day to day. Fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover. Salaries payable to executive Directors may not include a commission on or percentage of turnover. The Directors may also be paid all travelling, hotel, and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company.

Article 99 - Remuneration of Managing Directors

A Managing director shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration (which shall not include commission or a share in turnover) as the Directors may determine.

3. MATERIAL CONTRACTS

Save as disclosed below, as at the LPD, our Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the two (2) years preceding the date of this Abridged Prospectus:-

- i. The deed poll dated 1 July 2013 executed by our Company constituting the Warrants C to subscribe for new ordinary shares in the capital of our Company;
- ii. The deed poll dated 1 July 2013 executed by our Company constituting the Warrants D to subscribe for new ordinary shares in the capital of our Company;
- iii. Sale and Purchase Agreement dated 9 July 2013 entered into between WCT Berhad (as vendor) and WCT (as purchaser) for the acquisition of 591,897,260 ordinary shares of RM0.50 each in WCT Land Sdn Bhd ("WCTL"), representing the entire issued and paid-up share capital of WCTL for a cash purchase consideration of RM485,384,499;
- iv. Sale and Purchase Agreement dated 20 October 2014 entered into between Matad Sdn Bhd ("Matad") (as vendor) and Jubilant Courtyard Sdn Bhd ("JCSB") (as purchaser), an indirect wholly-owned subsidiary of WCT for the acquisition of four (4) pieces of vacant freehold land held under Geran No. 284618, Lot 27504 ("Land Lot 27504") and Geran No. 93465, Lot 27506 both in Seksyen 20, Bandar Serendah, Daerah Ulu Selangor, Negeri Selangor and Geran No. 34713, Lot 4455 and Geran No. 34715, Lot 4456 both in the Mukim Serendah, Daerah Ulu Selangor, Negeri Selangor for an aggregate cash purchase consideration of RM115,380,566.64. Pursuant to a Supplemental Sale and Purchase Agreement dated 31 October 2014 entered into between Matad, JCSB and WCT Pioneer Development Sdn Bhd ("WCTPD") (as nominee), JCSB has nominated WCTPD to accept the transfer of the Land Lot 27504 in accordance with the terms and conditions contained therein;

- v. Sale and Purchase Agreement dated 28 May 2015 entered into between Elite Asia Pacific Sdn Bhd (as vendor) and Gabungan Efektif Sdn Bhd (as purchaser), an indirect wholly-owned subsidiary of WCT for the acquisition of 3 pieces of vacant freehold land held under Geran No. 190283, Lot 128318, Geran No. 190284, Lot 128320 and Geran No. 190285, Lot 128324 all in Mukim Klang, Daerah Klang, Negeri Selangor for an aggregate cash purchase consideration of RM118,000,000.00; and
- vi. Underwriting Agreement dated 18 June 2015 entered into between our Company and the Joint Underwriters whereby the Joint Underwriters agree to severally (not jointly nor jointly and severally) underwrite and subscribe for, in accordance with the agreed percentage of Underwritten Shares, the remaining open portion of up to 112,582,406 Rights Shares which are not covered by the Undertaking.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Save as disclosed below, as at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and to the best of our Board's knowledge or belief, our Board is not aware of any proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of our Group:-

Dubai International Arbitration Centre

Pursuant to the cancellation of the contract (previously awarded by Meydan Group LLC ("Employer") to WCT Berhad (Dubai Branch) ("WCTB") and Arabtec Construction LLC ("Arabtec"), in a 50:50 joint venture ("the Joint Venture") for the construction works in relation to the Nad Al Sheba Racecourse Project) ("Contract") in which the Joint Venture was the main contractor and pursuant further to the Employer's subsequent call on the Joint Venture's bank guarantees, WCTB, on 11 January 2009, jointly with Arabtec, commenced an arbitration proceeding against the Employer in the Dubai International Arbitration Centre ("DIAC Case 02/2009") for breach of contract and to enforce the Joint Venture's rights and remedies including the recovery of all amounts due under the Contract as well as damages ("Claims").

On 27 February 2013, WCTB was informed by Arabtec that its board has agreed to the Employer's proposal for Arabtec and the Employer to withdraw all pending legal cases as between themselves without prejudice to their respective rights and to proceed with negotiations for an amicable settlement. Pursuant thereto, Arabtec and the Employer has since withdrawn their respective claims and counterclaims as against themselves, from DIAC Case 02/2009. The DIAC Case 2/2009 continues as between WCTB and the Employer and is presently still on-going.

The Joint Venture's claims had previously been revised from time to time and pursuant further to Arabtec's withdrawal of its claims, WCTB's claims against the Employer at present total approximately United Arab Emirates Dirham ("AED") 1.39 billion (approximately RM1.39 billion based on the exchange rate of AED100: RM100.339 as at the LPD, Source: Bank Negara Malaysia's website). On 8 March 2015, the Employer, through its solicitors, confirmed that the Employer is not advancing any counterclaim against WCTB in DIAC Case 2/2009.

Our Board is, based on continuing legal opinion received, of the view that WCTB's chances of success in DIAC Case 2/2009 remain good.

5. GENERAL

- i. As at the LPD, there is no existing or proposed service contract entered into or to be entered into between our Group and our Directors, other than those which are expiring or determinable by the employing company without payment or compensation (other than statutory compensation) within one (1) year;
- ii. Save as disclosed in Sections 6, 7 and 9 of this Abridged Prospectus, and to the best knowledge of our Board, the financial conditions and operations of our Group are not affected by any of the following:-
 - a) known trends, demands, commitments, events or uncertainties that will or are likely to materially increase or decrease the liquidity of our Group;
 - b) material commitments for capital expenditure of our Group, the purpose of such commitments and the source of funding;
 - c) unusual, infrequent events or transactions or significant economic changes which materially affected the amount of reported income from operations and the extent to which income was so affected;
 - d) known trends or uncertainties which have had, or will have, a material favourable or unfavourable impact on our Group's revenue or operating income;
 - e) substantial increase in revenues; and
 - f) material information, including special trade factors or risks, which are unlikely to be known or anticipated by the general public and which could materially affect our profits.

6. CONSENTS

Our Principal Adviser, Managing Underwriter, Joint Underwriters, Company Secretaries, Share Registrar, Principal Bankers, Solicitors for the Rights Issue of Shares and Bloomberg have given and have not subsequently withdrawn their written consents to the inclusion in this Abridged Prospectus of their names and all references thereto in the form and context in which they appear in this Abridged Prospectus.

Our Auditors and Reporting Accountants, namely Messrs Ernst & Young, have given and have not subsequently withdrawn their written consent to the inclusion in this Abridged Prospectus of its name, the audited consolidated financial statements of our Group for the FYE 31 December 2014 together with the auditors' report thereon, the compilation of pro forma consolidated statements of financial position of our Group as at 31 December 2014 together with the report thereon and all references thereto in the form and context in which they appear in this Abridged Prospectus.

7. STATEMENT OF CONFLICT OF INTEREST

RHBIB has been appointed as our Principal Adviser, Managing Underwriter and Joint Underwriter for the Rights Issue of Shares.

RHBIB and its related companies ("RHB Group") form a diversified financial group and are engaged in wide range of investment and commercial banking, brokerage, securities trading, asset and funds management and credit transaction service businesses. RHB Group has engaged and may in the future, engage in transactions with and perform services for our Group in addition to the roles set out in this Abridged Prospectus. In addition, in the ordinary course of business, any member of RHB Group may at any time offer or provide its services to engage in any transactions (on its own account or otherwise) with our Group, holding long or short positions, any may trade or otherwise effect transactions for its own account or account of its other customers in debt or equity securities or senior loans of our Group. This is a result of the business of RHB Group generally acting independently of each other and accordingly there may be situations where parts of RHB Group and/ or its customers now have or in future, may have interest or take actions that may conflict with the interests of our Group.

As at the LPD, RHB Group has extended various credit facilities with amount outstanding of approximately RM448.36 million to our Group. RHB Group is also holding the bonds issued by our Group with face value of RM132.00 million. The aforesaid extension of credit facilities and holding of bonds are in RHB Group's ordinary course of business. The outstanding amount of the credit facilities together with the face value of the bonds represents 3.09% of RHB Capital Berhad's (the parent company of RHBIB) latest audited net assets of RM18,794.30 million as at FYE 31 December 2014.

RHB Group has also extended loan facility amounting to the Undertaking Shareholders to fulfil their Undertakings.

In addition, EPF is a common shareholder of WCT and RHB Capital Berhad. However, EPF is not involved in the day-to-day operations of both WCT and RHBIB.

Notwithstanding the above, RHBIB is not aware of any conflict on interests which exists or is likely to exist in its capacity as the Principle Adviser, Managing Underwriter and Joint Underwriter for the Rights Issue of Shares as:-

- i. the outstanding amount of the credit facilities together with the aforesaid face value of the bonds is not material when compared to the latest audited net assets of RHB Group as at the FYE 31 December 2014.
- ii. the extension of credit facilities and holding of bonds arose in the ordinary course of business of RHB Group in view of RHB Group's extensive participation in the Malaysia banking industry; and
- iii. the conduct of RHB Group in its banking business is strictly regulated by the Financial Services Act 2013, Islamic Financial Services Act, 2013 and RHB Group's internal control and checks.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at No. 12, Jalan Majistret U1/26, Seksyen U1, Lot 44, Hicom-Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia, during normal business hours (except public holidays) for a period of 12 months from the date of this Abridged Prospectus:-

- i. Memorandum and Articles of Association of our Company;
- ii. Audited consolidated financial statements of our Group for the past two (2) financial years up to the FYE 31 December 2014;
- iii. Our latest unaudited quarterly report for the three (3)-month FPE 31 March 2015;

- iv. The compilation of the pro forma consolidated statements of financial position of our Group as at 31 December 2014 together with report thereon, as set out in Appendix III of this Abridged Prospectus;
- v. The Letters of Undertaking referred to in Section 5 of this Abridged Prospectus;
- vi. The Directors' Report, as set out in Appendix VI of this Abridged Prospectus;
- vii. The material contracts referred to in Section 3 of this Appendix VII;
- viii. The relevant cause papers in relation to the material litigation matter as set out in Section 4 of this Appendix VII; and
- ix. The letters of consent referred to in Section 6 of this Appendix VII.

9. RESPONSIBILITY STATEMENT

This Abridged Prospectus together with the NPA and the RSF have been seen and approved by our Board. They collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make any statement herein false or misleading.

RHBIB, being the Principal Adviser for the Rights Issue of Shares, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue of Shares.

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