
**WCT BERHAD (FORMERLY KNOWN AS WCT ENGINEERING BERHAD)
("WCT" OR "THE COMPANY") (66538-K)
QUARTERLY UNAUDITED RESULTS OF THE GROUP FOR THE SECOND QUARTER
ENDED 30 JUNE 2008**

**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 and Chapter 9 part K of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the most recent audited financial statements of the Group for the year ended 31 December 2007. 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 year ended 31 December 2007.

A2 Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2007 except for the adoption of the following new/revised Financial Reporting Standard ("FRS") that are effective for the Group's annual reporting date, 31 December 2008:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
IC Interpretation 8	Scope of FRS 2

The above new/revised FRSs are not expected to have any significant financial impact on the financial statements of the Group upon their initial application.

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 2007.

A4 Seasonal Or Cyclical Factors

The costs increases experienced by the Construction Industry during the quarter have affected the Group results. Nevertheless the Group managed to achieve better overall results for the quarter under review compared to the corresponding quarter.

A5 Items Of Unusual Nature

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group that are unusual due to their nature, size or incidence during the quarter under review.

A6 Changes In Estimate

There were no other changes in estimates of amounts reported in prior financial years that have a material effect in the quarter under review.

A7 Changes In Debt and Equity Securities

Save as disclosed below, there were no issuance and repayment of debts and equity securities, share buy backs, share cancellations, shares held as treasury shares and resale of treasury shares during the period under review.

- (a) Issuance of 2,539,010 new ordinary shares of RM1.00 each pursuant to the exercise of the ESOS at the exercise price ranging from RM1.45 to RM3.46 per ordinary share.
- (b) Issuance of 1,959,504 new ordinary shares of RM1.00 each pursuant to the conversion of Irredeemable Convertible Preference Shares ("ICPS") of RM0.10 which was satisfied by surrendering 10 ICPS for each new ordinary share.
- (c) Issuance of 343,464,662 new ordinary shares pursuant to the share split exercise involving the subdivision of each of the existing ordinary share of RM1.00 each in the Company into two (2) new ordinary shares of RM0.50 each in the Company.
- (d) Issuance of 62,825,489 new ordinary shares of RM0.50 each pursuant to the voluntary takeover offer of WCT Land Berhad as mentioned in Explanatory Note B8.
- (e) Issuance of 3,148,782 new ordinary shares of RM0.50 each pursuant to the exercise of the ESOS at the exercise price ranging from RM0.73 to RM2.47 per ordinary share.
- (f) Issuance of 11,971,718 new ordinary shares of RM0.50 each pursuant to the conversion of ICPS of RM0.10 which was satisfied by surrendering 5 ICPS for each new ordinary share.
- (g) Issuance of 19,920 new ordinary shares of RM0.50 each pursuant to the conversion of warrants at an exercise price of RM3.00 per ordinary share for cash.

A8 Dividends

Please refer to Explanatory Note B12.

A9 Segmental Information

	CURRENT YEAR QUARTER (3 months period to 30.06.2008) RM'000	CURRENT YEAR TO DATE (6 months period to 30.06.2008) RM'000
Segment Revenue		
Civil engineering & construction	930,703	1,908,002
Trading	33,356	72,095
Property development	57,936	100,185
Property & investment holding	983	2,626
Total revenue including inter-segment revenue	1,022,978	2,082,908
Elimination of inter-segment revenue	(80,785)	(220,414)
Total revenue	942,193	1,862,494
Segment profit from operation		
Civil engineering & construction	57,590	138,228
Trading	3,434	3,796
Property development	30,763	43,115
Property & investment holding	3,629	6,454
Interest income	8,353	15,104
	103,769	206,697
Elimination of inter-segment profit	(10,700)	(35,765)
Total profit from operation	93,069	170,932

A10 Carrying Amount Of Revalued Assets

The valuations of property, plant and equipment have been brought forward without amendment from the audited financial statements for the financial year ended 31 December 2007.

A11 Subsequent Material Events

There were no material events subsequent to the reporting period up to 8 August 2008 (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

Save as disclosed below, there were no changes in the composition of the Group during the period under review.

On 28 February 2008, the Company incorporated a new-wholly-owned subsidiary, WCT (S) Pte. Ltd. ("WCTS"), a corporation incorporated in Singapore. WCTS has an issued and paid-up capital of S\$1.00 (or approximately RM2.30).

On 8 March 2008, the Company established a new 70%-owned subsidiary, Allied WCT LLC ("AWCT"), a corporation incorporated in the Sultanate of Oman. AWCT has issued and paid-up capital of Omani Riyal 250,000.00 (or approximately RM2.47 million) divided into 250,000 ordinary shares of OR1.00 each. The Company has subscribed and paid for its portion of the initial capital of OR175,000 (or approximately RM1.73 million).

On 28 March 2008, WCT Land Berhad become a wholly-owned subsidiary of the Company pursuant to the completion of the compulsory acquisition as mentioned in Explanatory Note B8. WCTL has changed its name from WCT Land Berhad to WCT Land Sdn. Bhd. on 18 April 2008.

A13 Contingent Liabilities

Contingent liabilities of the Group as at 8 August 2008 (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 RM1,229.9 million and RM50.8 million respectively provided by the Group to various parties in the ordinary course of business. The changes in contingent liabilities since 20 February 2008 are as follows: -

	Bank Guarantees RM'000	Letters of Credit RM'000
Balance as at 20 February 2008	1,369,174	24,036
Extended/utilised during the period	168,050	77,182
Discharged/paid during the period	(307,279)	(50,444)
Balance as at 8 August 2008	<u>1,229,945</u>	<u>50,774</u>

A14 Capital Commitments

There are no material commitments except for as follows:-

	RM'000
Capital expenditure approved and contracted for property, plant and equipment	2,256
Share of capital commitments of jointly controlled entities	<u>12,325</u>
	<u><u>14,581</u></u>

A15 Significant Related Party Transactions

	RM'000
<u>The Group</u>	
Rental of property to a Director of the Company	<u><u>184</u></u>

B EXPLANATORY NOTES IN COMPLIANCE WITH LISTING REQUIREMENTS OF THE BURSA MALAYSIA

B1 Review Of The Performance Of The Group

For the quarter under review, the Group achieved revenue and profit after tax (“PAT”) of RM942 million and RM75 million representing 23% and 22% higher respectively as compared with the corresponding quarter. Better financial performance were due to contribution from the construction activities in the Middle East and property development activities locally.

B2 Comparison With Immediate Preceding Quarter’s Results

For the quarter under review, the Group recorded PAT of RM75 million as compared to RM66 million in the immediate preceding quarter.

B3 Prospect For The Forthcoming Financial Year

The Group is confident of a satisfactory financial performance for the remaining period of the current financial year ending 31 December 2008.

B4 Variance Of Actual Profit From Forecast Profit

Not applicable to the Group.

B5 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months period To 30.06.2008)	PRECEDING YEAR CORRESPONDING (3 months period To 30.06.2007)	CURRENT YEAR TO DATE (6 months period To 30.06.2008)	PRECEDING YEAR CORRESPONDING (6 months period To 30.06.2007)
	RM’000	RM’000	RM’000	RM’000
Taxation comprises:-				
Malaysia Tax				
- Current year	10,495	22,720	20,246	31,412
- Prior years	-	-	-	-
- Deferred taxation	(1,612)	447	(1,070)	832
	8,883	23,167	19,176	32,244
Foreign tax	-	-	-	-
	8,883	23,167	19,176	32,244

B5 Taxation (Contd.)

The effective tax rate for the current quarter and 6 months ended 30 June 2008 is lower than the statutory tax rate mainly due to income of several joint venture entities which is not subjected to income tax.

The effective tax rate for the 6 months ended 30 June 2007 is lower than the statutory tax rate mainly due to income of certain foreign subsidiaries which is not subjected to income tax.

The effective tax rate for the 3 months ended 30 June 2007 is approximates to the statutory tax rate.

B6 Profit On Sales Of Unquoted Investments And/Or Properties

There were no profits on sale of investment and/or properties recorded for the quarter under review.

B7 Quoted Securities

- (a) The Group did not transact any quoted securities for the quarter under review.
- (b) As at 30 June 2008, the Group did not hold any quoted securities.

B8 Status Of Corporate Proposals Announced

The Group has not announced any corporate proposal, which has not been completed as at 8 August 2008 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

B9 Group Borrowings And Debt Securities

Details of group borrowings are as follows:-

	As at 30.06.2008 RM'000	As at 31.12.2007 RM'000
Long Term Loan - Unsecured	50,000	50,000
BAIDS - Unsecured	100,000	100,000
SUKUK - Unsecured	268,965	-
Sub total- unsecured	<u>418,965</u>	<u>150,000</u>
Long Term Loan - Secured	227,339	198,342
Long Term Hire Purchase Creditors - Secured	10,363	8,988
Sub-total secured	<u>237,702</u>	<u>207,330</u>
Total Long Term (A)	<u>656,667</u>	<u>357,330</u>
Short Term Bank Borrowings		
Secured :-		
WCTL CRDS A	-	55,376
WCTL CRDS B	-	5
Bank Overdrafts	7,549	8,580
Hire Purchase Creditors	10,731	10,111
Revolving Credit	-	131,033
Term loans	53,437	77,860
Sub-total secured	<u>71,717</u>	<u>282,965</u>
Unsecured :-		
Bank Overdrafts	18,051	36,702
Bankers Acceptance	14,387	34,610
Revolving Credit	170,922	206,190
CP/MTN	200,000	25,000
Term loans	-	-
Sub-total unsecured	<u>403,360</u>	<u>302,502</u>
Total Short Term (B)	<u>475,077</u>	<u>585,467</u>
GRAND TOTAL C =(A+B)	<u>1,131,744</u>	<u>942,797</u>

Key :
 CRDS - Convertible Redeemable Debt Securities
 BAIDS - Bai Bithaman Ajil Islamic Debt Securities
 CP/MTN - Islamic Commercial Paper/Medium Term Notes
 SUKUK - Serial Redeemable Sukuk

B10 Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at 8 August 2008 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

B11 Material Litigation

The Group was not engaged in any material litigation from 31 December 2007 (the last annual balance sheet date) to 8 August 2008 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) either as plaintiff or defendant, and the Board of WCT has no knowledge of any proceedings pending or threatened against the Group 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.

B12 Dividends

	PAID in Year Ending 31 Dec 2008	PAID in Year Ended 31 Dec 2007
	RM'000	RM'000
<u>Final dividend paid</u> For the financial year ended 31 December 2007 4.5sen per ordinary share of RM0.50 each less 26% tax	25,466	-
<u>Interim dividend paid</u> For the financial year ended 31 December 2007 7.5sen per ordinary share of RM1.00 each less 27% tax	-	16,853
<u>Final dividend paid</u> For the financial year ended 31 December 2006 7.5sen per ordinary share of RM1.00 each less 27% tax	-	16,578

On 14 August 2008, the Directors declared an interim dividend of 5 sen per share less 26% tax on ordinary shares of RM0.50 each.

The entitlement date for the interim dividend shall be fixed on 29 August 2008 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 29 August 2008 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 payment date for the interim dividend will be on 18 September 2008.

B13 Earnings Per Share

	Reporting Quarter 30.06.08 RM'000	Current Year To Date 30.06.08 RM'000
(a) Basic Earnings Per Share		
Profit attributable to the equity holders of the parent	44,838	100,423
Weighted average number of ordinary shares in issue ('000)	781,997	768,225
Basic earnings per share (sen)	5.73	13.07
(b) Fully Diluted Earnings Per Share		
Profit attributable to the equity holders of the parent	44,838	100,423
Weighted average number of ordinary shares in issue ('000)	781,997	768,225
Effects of dilution:		
Shares options ('000)	8,872	9,314
Warrants ('000)	27,401	27,401
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	818,270	804,940
Fully diluted earnings per share (sen)	5.48	12.48

B14 Comparative Figures

Comparative figures, where applicable, have been modified to conform with the current quarter presentation.

Date: 14th AUGUST 2008
cc: Securities Commission