
**WCT BERHAD (“WCT” OR “THE COMPANY”) (66538-K)
QUARTERLY UNAUDITED RESULTS OF THE GROUP FOR THE FIRST QUARTER ENDED
31 MARCH 2009**

**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 2008. 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 2008.

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 2008 and there were no new Financial Reporting Standard (“FRS”), amendments to FRS and interpretations adopted during this quarter.

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 2008.

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 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 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 21,600 new ordinary shares of RM0.50 each pursuant to the exercise of the ESOS at the exercise price of RM0.73 per ordinary share.
- (b) Issuance of 128,000 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.

A8 Dividends

Please refer to Explanatory Note B12.

A9 Segmental Information

	CURRENT YEAR QUARTER/ YEAR TO DATE (3 months period to 31.03.2009) RM'000
Segment Revenue	
Civil engineering & construction	985,784
Trading	18,537
Property development	31,936
Property & investment holding	985
Total revenue including inter-segment revenue	<u>1,137,242</u>
Elimination of inter-segment revenue	<u>(68,289)</u>
Total revenue	<u><u>968,953</u></u>
Segment profit from operation	
Civil engineering & construction	82,262
Trading	4,148
Property development	10,007
Property & investment holding	(817)
	<u>95,600</u>
Elimination of inter-segment profit	<u>(15,925)</u>
Total profit from operation	<u><u>79,675</u></u>

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 2008.

A11 Subsequent Material Events

There were no material events subsequent to the reporting period up to 15 May 2009 (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

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 15 May 2009 (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 RM842 million and RM26 million respectively provided by the Group to various parties in the ordinary course of business and tax matters under appeal amounting to RM10 million of the Group. The changes in contingent liabilities since 19 February 2009 are as follows: -

(a)	Bank Guarantees RM'000	Letters of Credit RM'000
Balance as at 19 February 2009	794,482	36,773
Extended/utilised during the period	68,933	13,316
Discharged/paid during the period	(21,170)	(23,627)
	<hr/>	<hr/>
Balance as at 15 May 2009	842,245	26,462
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(b) The tax matters under appeal of the Group totaling RM10 million are in respect of corporation tax and service tax of a foreign subsidiary and an associated company.

A14 Capital Commitments

There are no material commitments except for as follows:-

	RM'000
Capital expenditure approved and contracted for property, plant and equipment	53,954
Share of capital commitments of jointly controlled entities	12,312
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	66,266
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A15 Significant Related Party Transactions

	RM'000
<u>The Group</u>	
Rental of property paid to a Director of the Company	<hr/> 34

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 taxation of RM969 million and RM68 million representing 5% and 3% higher respectively as compared with the corresponding quarter. Higher revenue and profit were mainly attributable to the construction activities undertaken by the Group.

B2 Comparison With Immediate Preceding Quarter's Results

For the quarter under review, the Group recorded revenue and profit after taxation of RM969 million and RM68 million as compared to revenue and loss after taxation of RM1,108 million and RM39 million reported in the immediate preceding quarter.

B3 Prospect For The Financial Year Ending 31 December 2009

Year 2009 will remain challenging for the Group due to the continued global economic crisis. Nevertheless, the Group is confident to achieve satisfactory results for the remaining period of the financial year ending 31 December 2009.

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 31.03.2009)	PRECEDING YEAR CORRESPONDING (3 months period To 31.03.2008)	CURRENT YEAR TO DATE (3 months period To 31.03.2009)	PRECEDING YEAR CORRESPONDING (3 months period To 31.03.2008)
	RM'000	RM'000	RM'000	RM'000
Taxation comprises:-				
Malaysia Tax				
- Current year	2,054	9,751	2,054	9,751
- Prior years	-	-	-	-
- Deferred taxation	(1,210)	542	(1,210)	542
	<u>844</u>	<u>10,293</u>	<u>844</u>	<u>10,293</u>
Foreign tax	-	-	-	-
	<u>844</u>	<u>10,293</u>	<u>844</u>	<u>10,293</u>

B5 Taxation (cont'd.)

The effective tax rate for the current quarter ended 31 March 2009 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 quarter ended 31 March 2008 is lower than the statutory tax rate mainly due to income of several joint venture entities not subjected to income tax.

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 31 March 2009, the Group did not hold any quoted securities.

B8 Status Of Corporate Proposals Announced

At an Extraordinary General Meeting held on 9 April 2009, the shareholders have approved the following Proposed Disposal:

On 29 September 2008, RHB Investment Bank Berhad, on behalf of the Company, announced that the Group had entered into an agreement with Employees Provident Fund ("EPF") in relation to the conditional share sale agreement ("SSA") with EPF for the Proposed Disposal of 48,000,000 ordinary shares of RM1.00 each in Jelas Puri Sdn Bhd ("JPSB") representing 30% of the enlarged issued and paid up share capital of JPSB for a total cash consideration of RM87.36 million ("Proposed Disposal").

Save for the above completed Proposal, the Group has not announced any other corporate proposal, which has not been completed as at 15 May 2009 (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 31.03.2009 RM'000	As at 31.12.2008 RM'000
<u>Unsecured:-</u>		
Long Term Loan	50,000	50,000
BAIDS	100,000	100,000
ICP/IMTN	200,000	200,000
SUKUK	275,397	273,485
	<u>625,397</u>	<u>623,485</u>
<u>Secured:-</u>		
Long Term Loan	194,885	201,685
Long Term Hire Purchase Creditors	4,765	6,060
	<u>199,650</u>	<u>207,745</u>
	<u>825,047</u>	<u>831,230</u>
 Short Term Bank Borrowings		
<u>Secured :-</u>		
Bank Overdraft	-	5,913
Hire Purchase Creditors	8,937	10,085
Revolving Credit	8,000	-
Term Loans	40,168	48,225
	<u>57,105</u>	<u>64,223</u>
<u>Unsecured :-</u>		
Bank Overdraft	36,084	14,077
Banker Acceptance	29,199	38,464
Revolving Credit	157,311	184,956
Term Loan	149,538	-
	<u>372,132</u>	<u>237,497</u>
	<u>429,237</u>	<u>301,720</u>
	<u>1,254,284</u>	<u>1,132,950</u>

Key : BAIDS - Bai Bithaman Ajil Islamic Debt Securities
 ICP/IMTN - Islamic Commercial Papers / Islamic Medium Term Notes
 SUKUK - Islamic Serial Redeemable Bonds

B10 Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at 15 May 2009 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

B11 Material Litigation

Except as disclosed below, the Group was not engaged in any material litigation from 31 December 2008 (the last annual balance sheet date) to 15 May 2009 (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.

On 25 December 2008, the Arabtec Construction LLC - WCT Engineering Berhad (Dubai Branch) Joint Venture (the "Joint Venture") in which the Company has 50% share which was responsible for the construction of the Nad Al Sheba racecourse in Dubai, received a notice from the employer, Meydan LLC ("Meydan"), purporting to terminate the contract on 9 January 2009 for reasons which management consider did not justify such termination. Subsequently, by way of its notice dated 10 January 2009, the Joint Venture purported to terminate the contract on 24 January 2009 on a number of grounds including failure to pay certified amounts, the Joint Venture's exclusion from the site and Meydan's wrongful calls on the Performance Security and Advance Payment Guarantee.

Notice of the call of the Performance Security amounting to AED461.3 million (Group's share : AED230.65 million or approximately RM218.6 million) and the Advance Payment Guarantee amounting to AED77.3 million (Group's share : AED38.6 million or approximately RM36.6 million) was received by the Joint Venture on 29 December 2008. 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.

On 11 January 2009, the Joint Venture served its request for arbitration, submitting an initial claim of which the Group's share is in excess of AED 800 million (or approximately RM758 million). Management believes, based on a preliminary legal opinion they have received, that the prospects of success in the arbitration are favourable and that no additional provisions for the dispute are required at the balance sheet date.

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 provision has been made against the amounts due from the customer for contract work. No profit has been taken on the contract to date pending the outcome of the Group's claims and conclusion of the arbitration proceedings. All the assets and liabilities subject to the arbitration process are classified as non-current assets or liabilities as appropriate.

B12 Dividends

	PAID in Year Ending 31 Dec 2009	PAID in Year Ended 31 Dec 2008
	RM'000	RM'000
<u>Dividend paid</u>		
For the period from 7 August 2007 to 8 August 2008 13.5% per ICPS of RM0.10 each	-	1,161
<u>Interim dividend paid</u>		
For the financial year ended 31 December 2008 5 sen per ordinary share of RM0.50 each less 26% tax	-	28,530
<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	-	25,465

A final dividend in respect of the financial year ended 31 December 2008 of 4.5 sen per share less tax of 25%, if approved at the forthcoming Annual General Meeting to be held on 18 June 2009, will be payable on 8 July 2009 based on entitlement date fixed on 23 June 2009.

B13 Earnings Per Share

**Reporting
 Quarter/
 Current Year
 To Date
 31.03.09
 RM'000**

(a) Basic Earnings Per Share

Profit attributable to the equity holders of the parent	39,223
Weighted average number of ordinary shares in issue ('000)	782,881
Basic earnings per share (sen)	5.01

(b) Fully Diluted Earnings Per Share

Profit attributable to the equity holders of the parent	39,223
Weighted average number of ordinary shares in issue ('000)	782,881
Effects of dilution:	
Shares options ('000)	1,754
Warrants ('000)	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	784,635
Fully diluted earnings per share (sen)	5.00

B14 Comparative Figures

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

Date: 21st MAY 2009