

WCT BERHAD

(Company Number : 66538-K)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2010**

(The figures have not been audited)

CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 30.09.2010) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 30.09.2009) RM'000	CURRENT YEAR TO DATE (9 months to 30.09.2010) RM'000	PRECEDING YEAR CORRESPONDING (9 months to 30.09.2009) RM'000
Revenue	357,142	1,312,134	1,270,827	3,459,044
Cost of sales	(280,194)	(1,225,990)	(1,049,214)	(3,189,810)
Gross profit	76,948	86,144	221,613	269,234
Other income	15,615	(4,007)	35,169	17,355
Other expenses	(5,154)	(4,330)	(11,645)	(18,718)
Administrative expenses	(16,414)	(15,679)	(46,953)	(46,816)
Finance costs	(12,741)	(12,142)	(36,293)	(39,566)
Share of profit after tax of associates	1,528	3,900	3,680	12,245
	59,782	53,886	165,571	193,734
Income tax expense	(5,827)	(5,065)	(36,480)	(3,724)
Profit for the period	53,955	48,821	129,091	190,010
Attributable to:				
Equity holders of the parent	30,562	33,373	99,264	114,549
Minority interest	23,393	15,448	29,827	75,461
Profit for the period	53,955	48,821	129,091	190,010
Attributable to equity holders of the parent :				
Basic earnings per share (sen)	3.88	4.25	12.61	14.62
Fully diluted earnings per share (sen)	3.84	4.24	12.50	14.56

(The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.)

WCT BERHAD

(Company Number : 66538-K)

INTERIM FINANCIAL REPORT ON CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010

(The figures have not been audited)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 30.09.2010) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 30.09.2009) RM'000	CURRENT YEAR TO DATE (9 months to 30.09.2010) RM'000	PRECEDING YEAR CORRESPONDING (9 months to 30.09.2009) RM'000
Profit for the period	53,955	48,821	129,091	190,010
Other comprehensive income/(loss):				
Currency translation differences arising from consolidation	(40,117)	(7,697)	(84,073)	(6,691)
Other comprehensive income/(loss) for the period, net of tax	(40,117)	(7,697)	(84,073)	(6,691)
Total comprehensive income/(loss) for the period	13,838	41,124	45,018	183,319
Total comprehensive income/(loss) for the period attributable to :				
Equity holders of the parent	2,179	29,148	38,558	110,144
Minority interest	11,659	11,976	6,460	73,175
	13,838	41,124	45,018	183,319

(The consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2010

	AS AT CURRENT QUARTER 30.09.2010	AS AT FINANCIAL YEAR ENDED 31.12.2009
	UNAUDITED	AUDITED AND NOT RESTATED (see note A2)
	RM'000	RM'000
ASSETS		
<u>Non-current assets</u>		
Property, plant and equipment	300,796	415,244
Land held for property development	228,116	187,277
Investment properties	546,450	425,761
Investment in associates	171,091	181,113
Other investments	9,804	9,804
Trade receivables	1 425,302	404,544
Other receivables	1 257,407	282,373
Deferred tax assets	8,775	19,181
	<u>1,947,741</u>	<u>1,925,297</u>
<u>Current assets</u>		
Property development costs	196,636	230,014
Inventories	86,875	113,709
Trade receivables	782,106	1,206,971
Other receivables	269,203	283,444
Due from related parties	4,228	5,515
Cash and cash equivalents	618,217	713,534
	<u>1,957,265</u>	<u>2,553,187</u>
TOTAL ASSETS	<u>3,905,006</u>	<u>4,478,484</u>
EQUITY AND LIABILITIES		
<u>Equity attributable to equity holders of the parent</u>		
Share capital	392,170	388,856
Irredeemable Convertible Preference Shares ("ICPS")	2,186	3,718
Share premium	374,821	369,256
Reserves	445,921	492,134
	<u>1,215,098</u>	<u>1,253,964</u>
Minority interests	239,472	233,012
Total equity	<u>1,454,570</u>	<u>1,486,976</u>

WCT BERHAD

(Company Number : 66538-K)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2010 (Cont'd)

	AS AT END OF CURRENT QUARTER 30.09.2010	AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2009
	UNAUDITED	AUDITED AND NOT RESTATED (see note A2)
	RM'000	RM'000
EQUITY AND LIABILITIES (Cont'd)		
<u>Long-term liabilities</u>		
Trade payables	2 91,946	104,756
Other payables	2 250,736	278,391
Borrowings	544,827	791,689
Deferred tax liabilities	20,475	9,122
	<u>907,984</u>	<u>1,183,958</u>
<u>Current liabilities</u>		
Trade payables	753,342	1,318,176
Other payables	259,812	281,874
Due to related parties	-	263
Borrowings	517,114	206,707
Tax payable	12,184	530
	<u>1,542,452</u>	<u>1,807,550</u>
Total Liabilities	<u>2,450,436</u>	<u>2,991,508</u>
TOTAL EQUITY AND LIABILITIES	<u>3,905,006</u>	<u>4,478,484</u>
Net asset per share (RM)	1.55	1.61

(1) Included receivables of RM258 million in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecourse project.

(2) Included payables of RM258 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 2009 and the accompanying explanatory notes attached to the interim financial statements.)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2010

	Attributable to Equity Holders of the Parent										Minority interest	Total equity		
	Non-Distributable					Distributable								
	Share capital	Preference Shares	Share premium	Warrant reserve	Other reserve	Exchange reserve	Capital reserve	Equity compensation reserve	Revaluation reserve	General reserve			Retained profit	Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
<i>Preceding year corresponding period</i>														
At 1 January 2009	385,749	5,685	367,916	34,690	587	6,944	2,846	5,677	6,518	2,616	368,987	1,188,215	169,045	1,357,260
Profit for the period	-	-	-	-	-	-	-	-	-	-	114,549	114,549	75,461	190,010
Other comprehensive income/(loss)	-	-	-	-	-	(4,409)	-	-	4	-	-	(4,405)	(2,286)	(6,691)
Total comprehensive income for the period	385,749	5,685	367,916	34,690	587	2,535	2,846	5,677	6,522	2,616	483,536	1,298,359	242,220	1,540,579
Arising from share options exercised	963	-	791	-	-	-	-	-	-	-	-	1,754	-	1,754
Arising from conversion of ICPS	1,799	(1,799)	-	-	-	-	-	-	-	-	-	-	-	-
Arising from conversion of warrants	2	-	11	(1)	-	-	-	-	-	-	-	12	-	12
Revaluation increase of freehold land and building	-	-	-	-	-	-	-	-	2,470	-	-	2,470	2,469	4,939
Transfer to within reserve	-	-	-	-	(32)	-	-	-	-	-	32	-	-	-
Share options granted under ESOS	-	-	-	-	-	-	-	2,127	-	-	-	2,127	-	2,127
Transfer within reserve for ESOS exercised	-	-	329	-	-	-	-	(329)	-	-	-	(55,912)	-	(55,912)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 30 September 2009	388,513	3,886	369,047	34,689	555	2,535	2,846	7,475	8,992	2,616	427,656	1,248,810	244,689	1,493,499
<i>Current year to date</i>														
At 1 January 2010	388,856	3,718	369,256	34,689	535	(25,238)	2,846	8,117	6,440	2,616	462,129	1,253,964	233,012	1,486,976
- as previously stated	-	-	-	-	-	-	-	-	-	-	(32,373)	(32,373)	-	(32,373)
- effect of adopting FRS 139	388,856	3,718	369,256	34,689	535	(25,238)	2,846	8,117	6,440	2,616	429,756	1,221,591	233,012	1,454,603
At 1 January 2010, as restated	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	-	-	-	99,264	99,264	29,827	129,091
Other comprehensive income/(loss)	-	-	-	-	-	(60,706)	-	-	-	-	-	(60,706)	(23,367)	(84,073)
Total comprehensive income/(loss) for the period	388,856	3,718	369,256	34,689	535	(85,944)	2,846	8,117	6,440	2,616	529,020	1,260,149	239,472	1,499,621
Arising from share options exercised	1,782	-	4,019	-	-	-	-	-	-	-	-	5,801	-	5,801
Arising from conversion of ICPS	1,532	(1,532)	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to within reserve	-	-	-	-	(22)	-	-	-	-	-	22	-	-	-
Share options granted under ESOS	-	-	-	-	-	-	-	8,219	-	-	-	8,219	-	8,219
Transfer within reserve for ESOS exercised	-	-	1,546	-	-	-	-	(1,546)	-	-	-	(59,071)	-	(59,071)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 30 September 2010	392,170	2,186	374,821	34,689	513	(85,944)	2,846	14,790	6,440	2,616	469,971	1,215,098	239,472	1,454,570

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.)

WCT BERHAD
(Company Number : 66538-K)

CONSOLIDATED CASH FLOW STATEMENT FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2010

	UNAUDITED CUMULATIVE PERIOD CURRENT YEAR TO DATE 30.09.2010 RM'000	CUMULATIVE PERIOD PRECEDING YEAR CORRESPONDING 30.09.2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	165,571	193,734
Adjustments for:-		
Non-cash items	85,949	70,743
Non-operating items - financing	28,015	32,756
Non-operating items - investing	(1,433)	(10,601)
Operating profit before working capital changes	278,102	286,632
Net changes in current assets	276,738	(631,746)
Net changes in current liabilities	(583,737)	474,822
Cash flows generated from operations	(28,897)	129,708
Interest paid *	(34,024)	(37,589)
Interest received	8,278	6,810
Taxation paid	(5,852)	(929)
Net cash (used in)/generated from operating activities	(60,495)	98,000
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment	(11,307)	(25,453)
Withdrawal from redemption and FSRA accounts	(316)	214
Net cash used in investing activities	(11,623)	(25,239)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from issuance of shares	5,801	1,766
Dividend paid	(59,071)	(55,912)
Bank borrowings	40,070	(7,251)
Net cash used in financing activities	(13,200)	(61,397)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	(85,318)	11,364
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	697,748	694,971
Foreign exchange differences	(8,880)	1,970
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD **	603,550	708,305

* Included in interest paid is interest capitalised amounting to RM4,011,826.

** Cash & cash equivalents excludes cash and bank held under Redemption Account amounting to RM226,787 and fixed deposits held under Finance Service Reserve Account amounting to RM3,937,902.

(The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.)

**WCT BERHAD ("WCT" OR "THE COMPANY") (66538-K)
QUARTERLY UNAUDITED RESULTS OF THE GROUP FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2010**

**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 2009. 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 2009.

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 2009, except for the adoption of the following new Financial Reporting Standards ("FRSs"), Amendments to FRSs and Interpretations with effect from 1 January 2010.

On 1 January 2010, the Group adopted the following FRSs:-

FRSs, Amendments to FRSs and Interpretations

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised 2009)
FRS 123	Borrowing Costs (Revised)
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 2	Share-based Payment
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 8	Operating Segments
Amendments to FRS 107	Statement of Cash Flows
Amendments to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors-
Amendments to FRS 110	Events after the Reporting Period
Amendments to FRS 116	Property, Plant and Equipment

A2 Changes in Accounting Policies (Cont'd)

FRSs, Amendments to FRSs and Interpretations (Cont'd)

Amendments to FRS 117	Leases
Amendments to FRS 118	Revenue
Amendments to FRS 119	Employee Benefits
Amendments to FRS 123	Borrowing Costs
Amendments to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 128	Investments in Associates
Amendments to FRS 131	Interest in Joint Ventures
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 136	Impairment of Assets
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 140	Investment Property
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 15	Agreements for the Construction of Real Estate

Other than the application of FRS 8, FRS 101, amendments to FRS 139 and IC Interpretation 15, the application of the above FRSs, Amendments to FRSs and IC Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

(a) FRS 8: Operating Segments (FRS 8)

FRS 8 requires segment information to be presented on a similar basis to that used for internal reporting purposes. As a result, the Group's segmental reporting had been presented based on the internal reporting to the chief operating decision maker who makes decisions on the allocation of resources and assesses the performance of the reportable segments. This standard does not have any impact on the financial position and results of the Group.

(b) FRS 101: Presentation of Financial Statements (FRS 101)

FRS 101 separates owner and non-owner changes in equity. Therefore, the current consolidated statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity are presented as a single line labeled as total comprehensive income. Comparative information, with exception of the requirements under FRS 139, had been re-presented so that it is also in conformity with the revised standard. This standard does not have any impact on the financial position and results of the Group.

A2 Changes in Accounting Policies (Cont'd).

(c) FRS 139: Financial Instruments - Recognition and Measurement (FRS 139)

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the balance sheet date reflects the designation of the financial instruments. The Group determines the classification at initial recognition and for the purpose of the first adoption of the standard, as at transitional date on 1 January 2010.

Financial assets

Financial assets are classified 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.

The Group's financial assets include cash and short-term deposits and loans and receivables.

Loans and receivables

Prior to 1 January 2010, loans and receivables were stated at gross receivables less provision for doubtful debts. Under FRS 139, loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest rate (EIR) method. Gains and losses arising from the derecognition of the loans and receivables, EIR amortisation and impairment losses are recognised in the income statement.

Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial liabilities include trade and other payables, and are carried at amortised cost.

A2 Changes in Accounting Policies (Cont'd)

**(c) FRS 139: Financial Instruments - Recognition and Measurement (FRS 139)
 (Cont'd)**

Impact on opening balances

In accordance with the transitional provisions of FRS 139, the above changes are applied prospectively and the comparatives as at 31 December 2009 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the balance sheet as at 1 January 2010.

RM'000	Previously stated	Effect of FRS 139	As restated
Assets			
Trade receivables	404,544	(40,578)	363,966
Other receivables	282,373	(28,119)	254,254
Liabilities			
Trade payables	104,756	(9,866)	94,890
Other payables	278,391	(26,458)	251,933
Equity			
Retained earnings	462,129	(32,373)	429,756

(d) IC Interpretation 15: Agreements for the construction of real estate (IFRIC 15)

In applying IFRIC 15, the Group is required to recognise the revenue from property development activities on a completion basis. The impact of IFRIC 15 cannot be reasonably estimated, due to the uncertainties surrounding the expectation of future sales and fluctuation of development cost.

The following revised FRSs, new IC Interpretations and Amendments to FRSs have been issued by the MASB and are effective for annual periods commencing on or after 1 March 2010, 1 July 2010 and 1 January 2011, and have yet to be adopted by the Group.

FRS 3	Business Combinations (revised)
FRS 127	Consolidated and Separate Financial Statements (revised)
Amendments to FRS 138	Intangible Assets
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
Amendments to FRS 7	Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments

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 2009.

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 during the quarter ended 30 September 2010.

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 30 September 2010.

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 3,563,240 new ordinary shares of RM0.50 each pursuant to the exercise of the ESOS at the exercise price of RM0.73 to RM2.39 per ordinary share.
- (b) Issuance of 3,064,223 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 (3 months period to 30.9.2010) RM'000	CURRENT YEAR TO DATE (9 months period to 30.9.2010) RM'000
Segment Revenue		
Civil engineering & construction	291,925	1,127,641
Property development	85,962	184,486
Property investment	6,238	22,062
Total revenue including intra-group revenue	384,125	1,334,189
Elimination of intra-group revenue	(26,983)	(63,362)
Total revenue	<u>357,142</u>	<u>1,270,827</u>
Segment profit from operation		
Civil engineering & construction	42,072	128,828
Property development	29,078	58,036
Property investment	2,795	19,590
	73,945	206,454
Elimination of intra-group profit	(2,950)	(8,270)
Total profit from operation	<u>70,995</u>	<u>198,184</u>

A10 Carrying Amount Of Revalued Assets

During the period under review, an investment property was revalued which results in an increase of approximately RM10 million.

Save as disclosed above the valuations of other investment property and property, plant and equipment have been brought forward without amendment from the audited financial statements for the financial year ended 31 December 2009.

A11 Subsequent Material Events

There were no material events subsequent to the reporting period up to 11 November 2010 (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.

- (i) On 3 March 2010, the Company's wholly-owned subsidiary, WCT Land Sdn. Bhd. ("WCTL"), acquired 2 ordinary shares of RM1.00 each at par representing the entire issued and paid-up share capital of WCT Property Management Sdn. Bhd. ("WCTPMSB") for a total cash consideration of RM2.00. WCTPMSB, a company incorporated in Malaysia, has an authorised share capital of RM100,000 and an issued and paid-up share capital of RM2.00 divided into 2 ordinary share of RM1.00 each.
- (ii) On 2 April 2010, WCTL acquired 2 ordinary shares of RM1.00 each at par representing the entire issued and paid-up share capital of Urban Courtyard Sdn. Bhd. ("UCSB") for a total cash consideration of RM2.00. UCSB, a company incorporated in Malaysia, has an authorised share capital of RM100,000 and an issued and paid-up share capital of RM2.00 divided into 2 ordinary share of RM1.00 each.
- (iii) On 24 August 2010, WCT acquired 2 ordinary shares of RM1.00 each at par representing the entire issued and paid-up share capital of Iris Green Sdn. Bhd. ("IGSB") for a total cash consideration of RM2.00. IGSB, a company incorporated in Malaysia, has an authorised share capital of RM100,000 and an issued and paid-up share capital of RM2.00 divided into 2 ordinary share of RM1.00 each.
- (iv) On 5 October 2010, WCT acquired 2 ordinary shares of RM1.00 each at par representing the entire issued and paid-up share capital of Segi Astana Sdn. Bhd. ("SASB") for a total cash consideration of RM2.00. SASB, a company incorporated in Malaysia, has an authorised share capital of RM100,000 and an issued and paid-up share capital of RM2.00 divided into 2 ordinary share of RM1.00 each.

A13 Contingent Liabilities

Contingent liabilities of the Group as at 11 November 2010 (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 RM669 million and RM4 million respectively provided by the Group to various parties in the ordinary course of business and tax matters under appeal amounting to RM5 million of the Group. The changes in contingent liabilities since 18 February 2010 are as follows:-

(a)	Bank Guarantees RM'000	Letters of Credit RM'000
Balance as at 18 February 2010	707,033	1,209
Extended/utilised during the period	99,450	4,041
Discharged/paid during the period	<u>(137,812)</u>	<u>(1,729)</u>
Balance as at 11 November 2010	<u>668,671</u>	<u>3,521</u>

(b) The tax matters under appeal of the Group totaling RM5 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 investment	85,310
Capital expenditure approved and contracted for property, plant and equipment	30,072
Share of capital commitments of jointly controlled entities	12,312
	<u>127,694</u>

A15 Significant Related Party Transactions

	RM'000
<u>The Group</u>	
Rental of property paid to a Director of the Company	<u>309</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 of RM357 million as compared with RM1,312 million of the corresponding quarter. Net profit after taxation and minority interest of the Group was RM31 million as compared with RM33 million of the corresponding quarter.

B2 Comparison With Immediate Preceding Quarter's Results

For the quarter under review, the Group recorded revenue and net profit after taxation and minority interest of RM357 million and RM31 million as compared to revenue and profit after taxation and minority interest of RM514 million and RM34 million reported in the immediate preceding quarter.

B3 Prospect For Financial Year 2010

With the improved macro economic outlook and the launch of Economic Transformation Programme by Malaysian government, the Group is confident to achieve satisfactory results for the remaining period of the financial year ending 31 December 2010.

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 30.9.2010) RM'000	PRECEDING YEAR CORRESPONDING (3 months period To 30.9.2009) RM'000	CURRENT YEAR TO DATE (9 months period To 30.9.2010) RM'000	PRECEDING YEAR CORRESPONDING (9 months period To 30.9.2009) RM'000
Taxation comprises:-				
Malaysia Tax				
- Current year	4,777	1,284	21,765	5,848
- Prior years	120	1,258	256	1,258
- Deferred taxation	930	2,523	14,459	(3,382)
	<u>5,827</u>	<u>5,065</u>	<u>36,480</u>	<u>3,724</u>
Foreign tax	-	-	-	-
	<u>5,827</u>	<u>5,065</u>	<u>36,480</u>	<u>3,724</u>

The effective tax rate for the current quarter and cumulative period ended 30 September 2010 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 corresponding quarter and cumulative period ended 30 September 2009 is lower than the statutory tax rate mainly due to income of several joint venture entities which is not subjected to income tax.

B6 Profit On Sales Of Unquoted Investments And/Or Properties

Investment properties held by a subsidiary with book value of RM14.8 million was disposed during the current quarter with gain of RM0.3 million.

Save as disclosed above, 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 September 2010, the Group did not hold any quoted securities.

B8 Status Of Corporate Proposals Announced

Save as disclosed below, the Group has not announced any corporate proposal, which has not been completed as at 11 November 2010 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

On 28 July 2010, RHB Investment Bank Berhad and AmInvestment Bank Berhad ("Joint Advisor"), on behalf of the Company, announced that WCT is proposing the following:-

- (i) proposed issuance of the Bonds with up to 181,085,174 WCT Warrants on a 'bought deal' basis to primary subscribers; and
- (ii) proposed offer for sale of the provisional rights to allotment of up to 181,085,174 WCT Warrants by the primary subscribers at an offer price to be determined to the following categories of persons:-
 - (a) up to 121,085,174 WCT Warrants to our shareholders on a renounceable basis of 1 WCT Warrant for every 8 existing WCT Shares held; and
 - (b) 60,000,000 WCT Warrants to entitled senior management of the WCT Group ("Entitled Senior Management").

On 17 September 2010, the Joint Advisers had, on behalf of the Company, announced the following:-

- (i) that the Company had on 15 September 2010 submitted an application to the SC for the Proposed Bonds with Warrants; and
- (ii) that the Company had on 17 September 2010 submitted an application to the Controller of Foreign Exchange of Bank Negara Malaysia ("the Controller") in relation to the issuance of the WCT Warrants to non-residents.

On 5 October 2010, the Joint Advisers had, on behalf of the Company, announced that the Board has decided to abort the proposed offer for sale of the provisional rights to allotment of 60,000,000 WCT Warrants to Entitled Senior Management and that the proposed offer for sale of the provisional rights to allotment by the primary subscribers to our shareholders will now entail the offering of up to 193,736,279 WCT Warrants on a renounceable basis of 1 WCT Warrant for every 5 existing WCT Shares held ("Proposed Offer for Sales").

On 15 October 2010, the Joint Advisers had, on behalf of the Company, announced that the Company had on even date submitted a new application to the Controller in relation to the issuance of the WCT Warrants to non-residents in view of the aforementioned material development.

B8 Status Of Corporate Proposals Announced (Cont'd.)

On 26 October 2010, the Joint Advisers had, on behalf of the Company, announced the following:-

- (i) the Securities Commission ("SC") has vide its letter dated 25 October 2010 approved the issuance of RM600,000,000 nominal value of serial fixed rate bonds of up to 5 years ("Bonds") pursuant to the proposed issuance of the Bonds with up to 193,736,279 detachable warrants ("WCT Warrants") on a 'bought deal' basis to primary subscribers ("Proposed Bonds with Warrants"). The approval of the SC is subject to, inter alia, RHB Investment Bank and AmInvestment Bank obtaining the SC's prior approval should there be any changes to the principal terms and conditions of the Bonds prior to the issue date of the Bonds.

- (ii) the Company has on even date submitted a listing application to Bursa Malaysia Securities Berhad ("Bursa Securities") for the following:-
 - (a) admission of up to 193,736,279 WCT Warrants to the Official List of Bursa Securities;
 - (b) listing of and quotation for up to 193,736,279 WCT Warrants on the Main Market of Bursa Securities; and
 - (c) listing of and quotation for up to 193,736,279 new ordinary shares of RM0.50 each in WCT to be issued upon exercise of the WCT Warrants on the Main Market of Bursa Securities.

As at 16 November 2010, the Proposed Bonds with Warrants is subject to the following:-

- (i) the approval of the SC for the issuance of the Bonds pursuant to the Proposed Bonds With Warrants which was obtained on 25 October 2010;

B8 Status Of Corporate Proposals Announced (Cont'd.)

- (ii) the approval in-principle from Bursa Securities which was obtained on 15 November 2010 for the following :-
- (a) the admission of up to 193,736,279 WCT Warrants to the Official List of Bursa Securities;
 - (b) the listing of and quotation for up to 193,736,279 WCT Warrants on the Main Market of Bursa Securities; and
 - (c) the listing of and quotation for up to 193,736,279 new WCT Shares to be issued upon exercise of the WCT Warrants on the Main Market of Bursa Securities.

subject to, *inter-alia*, the following conditions:-

- The Company and the Joint Advisers must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Securities pertaining to the implementation of the Proposed Bonds with Warrants;
 - The Company and the Joint Advisers to inform Bursa Securities upon the completion of the Proposed Bonds with Warrants; and
 - The Company to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonds with Warrants is completed.
- (iii) the approval of the Controller for the issuance of up to 193,736,279 WCT Warrants to non-residents and such number of additional WCT Warrants pursuant to adjustments to be made from time to time in accordance with the provisions of the Deed Poll to non-residents which was obtained on 15 November 2010;
- (iv) the approval of the shareholders of WCT at forthcoming EGM.

B9 Group Borrowings And Debt Securities

Details of group borrowings are as follows:-

	As at 30.09.2010 RM'000	As at 31.12.2009 RM'000
Long Term Bank Borrowings		
<u>Secured:-</u>		
Long Term Loan	202,150	229,962
Hire Purchase Creditors	14,482	11,195
	216,632	241,157
<u>Unsecured:-</u>		
BAIDS	40,000	70,000
ICP/IMTN	100,000	200,000
SUKUK	188,195	280,532
	328,195	550,532
	544,827	791,689
 Short Term Bank Borrowings		
<u>Secured :-</u>		
Hire Purchase Creditors	14,265	10,348
Revolving Credit	70,000	70,000
Term Loans	66,223	16,440
	150,488	96,788
<u>Unsecured :-</u>		
Bank Overdraft	10,503	11,937
Banker Acceptance	27,505	17,982
Term Loans	-	50,000
BAIDS	30,000	30,000
ICP/IMTN	200,000	-
SUKUK	98,618	-
	366,626	109,919
	517,114	206,707
	1,061,941	998,396

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 11 November 2010 (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 2009 (the last annual balance sheet date) to 11 November 2010 (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.

- (i) Status update on the arbitration proceedings in relation to the Cancellation of the Nad Al Sheba Racecourse, Dubai, U.A.E. contract ("the Cancellation"):

The Arbitration Tribunal to resolve the dispute between the Company (jointly with Arabtec Construction LLC, as Claimants) and Meydan Group LLC (formerly known as Meydan LLC, as Respondent) in relation to the Cancellation has been duly constituted with the appointment of the Tribunal Chairman and the respective Co-Arbitrators by the Dubai International Arbitration Centre ("DIAC") and preliminary procedural meetings have been held and preliminary procedural steps taken pursuant thereto. The arbitration proceedings are presently still on-going.

- (ii) Status update on the arbitration in relation to Bahrain Asphalt Establishment B.S.C. (Closed) ("BAE") disputed claim for additional payments ("the Dispute") in relation to their Sub-Contract Works for part of the project Works known as "Dukhan Highway" which involved the construction of a 43km highway in Qatar.

The Arbitration Tribunal to resolve the Dispute between BAE (as Claimants) and the Company (jointly with Gamuda Berhad, as Respondents) has been duly constituted with the appointment of the Tribunal Chairman and the respective Co-Arbitrators by the International Chamber of Commerce ("ICC") and the Tribunal is now considering preliminary issues on the arbitration proceedings.

B12 Dividends

	PAID in Year Ending 31 Dec 2010	PAID in Year Ended 31 Dec 2009
	RM'000	RM'000
<u>Final dividend paid</u> For the financial year ended 31 December 2008 4.5 sen per ordinary share of RM0.50 each less 25% tax	-	26,103
<u>Dividend paid</u> For the period from 7 August 2008 to 6 August 2009 13.5% per ICPS of RM0.10 each	-	695
<u>Interim dividend paid</u> For the financial year ended 31 December 2009 5 sen per ordinary share of RM0.50 each less 25% tax	-	29,114
<u>Final dividend paid</u> For the financial year ended 31 December 2009 5 sen per ordinary share of RM0.50 each less 25% tax	29,364	-
<u>Dividend paid</u> For the period from 7 August 2009 to 6 August 2010 13.5% per ICPS of RM0.10 each	307	-
<u>Interim dividend paid</u> For the financial year ending 31 December 2010 5 sen per ordinary share of RM0.50 each less 25% tax	29,400	-

B13 Earnings Per Share

	Reporting Quarter 30.09.2010	Current Year To Date 30.09.2010
(a) Basic Earnings Per Share		
Profit attributable to the equity holders of the parent (RM'000)	30,562	99,264
Weighted average number of ordinary shares in issue ('000)	788,358	787,076
Basic earnings per share (sen)	3.88	12.61
(b) Fully Diluted Earnings Per Share		
Profit attributable to the equity holders of the parent (RM'000)	30,562	99,264
Weighted average number of ordinary shares in issue ('000)	788,358	787,076
Effects of dilution:		
Shares options ('000)	6,616	6,750
Warrants ('000)	-	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	794,974	793,826
Fully diluted earnings per share (sen)	3.84	12.50

B14 Comparative Figures

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

Date: 18th November 2010