

WCT BERHAD

(Company Number : 66538-K)

INTERIM FINANCIAL REPORT ON CONSOLIDATED INCOME STATEMENT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

(The figures have not been audited)

CONSOLIDATED INCOME STATEMENT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 31.12.2010) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 31.12.2009) RM'000	CURRENT YEAR TO DATE (12 months to 31.12.2010) RM'000	PRECEDING YEAR CORRESPONDING (12 months to 31.12.2009) RM'000
Revenue	437,674	1,207,558	1,708,501	4,666,602
Cost of sales	(329,423)	(1,122,133)	(1,378,637)	(4,311,943)
Gross profit	108,251	85,425	329,864	354,659
Other income	26,462	(7,430)	61,631	9,925
Other expenses	(10,381)	(23,214)	(22,026)	(41,932)
Administrative expenses	(22,656)	(31,691)	(69,609)	(78,507)
Finance costs	(14,067)	(10,742)	(50,360)	(50,308)
Share of profit after tax of associates	4,136	4,996	7,816	17,241
	91,745	17,344	257,316	211,078
Income tax expense	(11,406)	8,510	(47,886)	4,786
Profit for the period	80,339	25,854	209,430	215,864
Attributable to:				
Equity holders of the parent	41,890	32,549	141,154	147,098
Minority interest	38,449	(6,695)	68,276	68,766
Profit for the period	80,339	25,854	209,430	215,864
Attributable to equity holders of the parent :				
Basic earnings per share (sen)	5.30	4.15	17.91	18.76
Fully diluted earnings per share (sen)	5.25	4.13	17.75	18.68

(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 FOURTH QUARTER ENDED 31 DECEMBER 2010

(The figures have not been audited)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 31.12.2010) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 31.12.2009) RM'000	CURRENT YEAR TO DATE (12 months to 31.12.2010) RM'000	PRECEDING YEAR CORRESPONDING (12 months to 31.12.2009) RM'000
Profit for the period	80,339	25,854	209,430	215,864
Other comprehensive income/(loss):				
Currency translation differences arising from consolidation	(10,117)	(5,833)	(94,190)	(12,524)
Other comprehensive income/(loss) for the period, net of tax	(10,117)	(5,833)	(94,190)	(12,524)
Total comprehensive income/(loss) for the period	70,222	20,021	115,240	203,340
Total comprehensive income/(loss) for the period attributable to :				
Equity holders of the parent	33,258	29,529	71,816	139,673
Minority interest	36,964	(9,508)	43,424	63,667
	70,222	20,021	115,240	203,340

(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.)

WCT BERHAD
(Company Number : 66538-K)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

	AS AT CURRENT QUARTER 31.12.2010	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	292,245	415,244
Land held for property development	214,829	187,277
Investment properties	614,266	425,761
Investment in associates	175,966	181,113
Other investments	9,804	9,804
Trade receivables	1 418,349	404,544
Other receivables	1 259,642	282,373
Deferred tax assets	-	23,442
	<u>1,985,101</u>	<u>1,929,558</u>
<u>Current assets</u>		
Property development costs	232,997	230,014
Inventories	74,393	113,709
Trade receivables	811,892	1,206,971
Other receivables	323,531	283,444
Due from related parties	4,223	5,515
Cash and cash equivalents	1,163,046	713,534
	<u>2,610,082</u>	<u>2,553,187</u>
TOTAL ASSETS	4,595,183	4,482,745
EQUITY AND LIABILITIES		
<u>Equity attributable to equity holders of the parent</u>		
Share capital	393,471	388,856
Irredeemable Convertible Preference Shares ("ICPS")	2,069	3,718
Share premium	379,868	369,256
Reserves	475,385	496,395
	<u>1,250,793</u>	<u>1,258,225</u>
Minority interests	276,436	233,012
Total equity	1,527,229	1,491,237

WCT BERHAD
(Company Number : 66538-K)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010 (Cont'd)

	AS AT END OF CURRENT QUARTER 31.12.2010	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	2 110,010	104,756
Other payables	2 250,428	278,391
Borrowings	1,127,427	791,689
Deferred tax liabilities	36,153	9,122
	<u>1,524,018</u>	<u>1,183,958</u>
<u>Current liabilities</u>		
Trade payables	752,021	1,318,176
Other payables	285,325	281,874
Due to related parties	-	263
Borrowings	505,454	206,707
Tax payable	1,136	530
	<u>1,543,936</u>	<u>1,807,550</u>
Total Liabilities	<u>3,067,954</u>	<u>2,991,508</u>
TOTAL EQUITY AND LIABILITIES	<u>4,595,183</u>	<u>4,482,745</u>
Net asset per share (RM)	1.59	1.62

(1) Included receivables of RM257 million in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecourse project.

(2) Included payables of RM257 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 12 MONTHS ENDED 31 DECEMBER 2010

Note	Share capital RM'000	Preference Shares RM'000	Share premium RM'000	Warrant reserve RM'000	Other reserve RM'000	Attributable to Equity Holders of the Parent				Distributable		Minority interest RM'000	Total equity RM'000	
						Non-Distributable		Equity		General reserve RM'000	Retained profit RM'000			Total RM'000
						Exchange reserve RM'000	Capital reserve RM'000	Equity compensation reserve RM'000	Revaluation reserve 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
As previously stated	-	-	-	-	-	(24,835)	-	6,165	-	-	-	(18,670)	-	(18,670)
Prior year adjustment	385,749	5,685	367,916	34,690	587	(17,891)	2,846	5,677	6,518	2,616	375,152	1,169,545	169,045	1,338,590
As restated	-	-	-	-	-	(7,347)	-	-	(78)	-	147,098	(5,099)	68,766	215,864
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	385,749	5,685	367,916	34,690	587	(25,238)	2,846	5,677	6,440	2,616	522,250	1,309,218	232,712	1,541,930
Dividends	-	-	-	-	-	-	-	-	-	-	(55,912)	(55,912)	-	(55,912)
Share options granted under ESOS	-	-	-	-	-	-	-	2,836	-	-	2,836	2,836	-	2,836
Arising from share options exercised	1,138	-	933	-	-	-	-	-	-	-	-	-	-	2,071
Arising from conversion of ICPS	1,967	(1,967)	-	-	-	-	-	-	-	-	-	-	-	-
Arising from conversion of warrants	2	-	10	-	-	-	-	-	-	-	-	12	-	12
Arising from incorporation of new subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	300	300
Transfer within reserve for ESOS exercised	-	-	396	-	-	-	-	(396)	-	-	-	-	-	-
Transfer within reserve for warrants exercised	-	-	1	(1)	-	-	-	-	-	-	-	-	-	-
Transfer to within reserve	-	-	-	-	(52)	-	-	-	-	-	52	-	-	-
At 31 December 2009	388,856	3,718	369,256	34,689	535	(25,238)	2,846	8,117	6,440	2,616	466,390	1,258,225	233,012	1,491,237
<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	466,390	1,258,225	233,012	1,491,237
- as previously stated	-	-	-	-	-	-	-	-	-	-	(43,202)	(43,202)	-	(43,202)
- effect of adopting FR5 139	388,856	3,718	369,256	34,689	535	(25,238)	2,846	8,117	6,440	2,616	423,188	1,215,023	233,012	1,448,035
At 1 January 2010, as restated	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	-	-	-	141,154	141,154	68,276	209,430
Other comprehensive income/(loss)	-	-	-	-	-	(69,338)	-	-	-	-	(69,338)	(69,338)	(24,852)	(94,190)
Total comprehensive income/(loss) for the period	388,856	3,718	369,256	34,689	535	(94,576)	2,846	8,117	6,440	2,616	564,342	1,286,839	276,436	1,563,275
Dividends	-	-	-	-	-	-	-	-	-	-	(59,071)	(59,071)	-	(59,071)
Share options vested under ESOS	-	-	-	-	-	-	-	10,960	-	-	-	10,960	-	10,960
Arising from share options exercised	2,965	-	7,756	-	-	-	-	-	-	-	-	-	-	10,721
Arising from conversion of ICPS	1,649	(1,649)	-	-	-	-	-	-	-	-	-	-	-	-
Arising from conversion of warrants	1	-	3	-	-	-	-	-	-	-	-	4	-	4
Revaluation increase of freehold land and building	-	-	-	-	-	-	-	(2,852)	1,495	-	-	1,495	-	1,495
Transfer within reserve for ESOS exercised	-	-	2,852	-	-	-	-	-	-	-	-	-	-	-
Transfer within reserve for warrants exercised	-	-	1	(1)	-	-	-	(1)	-	-	-	(1)	-	(1)
Transfer to within reserve	-	-	-	-	(58)	-	-	-	-	-	(96)	(154)	-	(154)
At 31 December 2010	393,471	2,069	379,868	34,688	477	(94,576)	2,846	16,224	7,935	2,616	505,175	1,250,793	276,436	1,527,229

(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 12 MONTHS ENDED 31 DECEMBER 2010

	UNAUDITED CUMULATIVE PERIOD CURRENT YEAR TO DATE 31.12.2010 RM'000	CUMULATIVE PERIOD PRECEDING YEAR CORRESPONDING 31.12.2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	257,316	211,078
Adjustments for:-		
Non-cash items	37,846	59,530
Non-operating items - financing	39,337	41,123
Non-operating items - investing	(7,705)	(18,041)
Operating profit before working capital changes	326,794	293,690
Net changes in current assets	279,524	(5,573)
Net changes in current liabilities	(552,521)	2,207
Cash flows generated from operations	53,797	290,324
Interest paid *	(46,664)	(46,438)
Interest received	10,172	9,185
Taxation paid	4,226	(5,605)
Net cash (used in)/generated from operating activities	21,531	247,466
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment	(7,457)	(32,875)
Investment properties	(53,832)	-
Withdrawal from redemption and FSRA accounts	(207)	506
Net cash used in investing activities	(61,496)	(32,369)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from issuance of shares	10,721	2,072
Proceed from conversion of warrants	4	12
Additional investment by minority interest in a subsidiary	-	300
Dividend paid	(59,071)	(55,912)
Bank borrowings	611,006	(150,748)
Net cash generated from/(used in) financing activities	562,660	(204,276)
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	522,695	10,821
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	697,748	694,971
Foreign exchange differences	(69,338)	(8,044)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD **	1,151,105	697,748

* Included in interest paid is interest capitalised amounting to RM5,585,431.

** Cash & cash equivalents excludes cash and bank held under Redemption Account amounting to RM116,867 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 FOURTH
QUARTER ENDED 31 DECEMBER 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	(56,851)	347,693
Other receivables	282,373	(38,823)	243,550
Liabilities			
Trade payables	104,756	(13,743)	91,013
Other payables	278,391	(38,729)	239,662
Equity			
Retained earnings	462,129	(43,202)	418,927

(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 31 December 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 31 December 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 5,931,430 new ordinary shares of RM0.50 each pursuant to the exercise of the ESOS at the exercise price of RM0.73 to RM2.92 per ordinary share.
- (b) Issuance of 3,296,839 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.
- (c) Issuance of 1,600 new ordinary shares of RM0.50 each pursuant to the conversion of warrants at the exercise price of RM3.00 per ordinary share for cash.

A8 Dividends

Please refer to Explanatory Note B13.

A9 Segmental Information

	CURRENT YEAR QUARTER (3 months period to 31.12.2010) RM'000	CURRENT YEAR TO DATE (12 months period to 31.12.2010) RM'000
Segment Revenue		
Civil engineering & construction	448,945	1,576,586
Property development	49,879	234,365
Property investment	12,534	34,596
Total revenue including intra-group revenue	511,358	1,845,547
Elimination of intra-group revenue	(73,684)	(137,046)
Total revenue	437,674	1,708,501
Segment profit from operation		
Civil engineering & construction	66,806	195,634
Property development	17,133	75,169
Property investment	36,631	56,221
	120,570	327,024
Elimination of intra-group profit	(18,894)	(27,164)
Total profit from operation	101,676	299,860

A10 Carrying Amount Of Revalued Assets

During the period under review, certain investment properties and property, plant and equipment were revalued which results in a net increase of approximately RM34.5 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 18 February 2011 (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.
- (v) On 2 December 2010, WCTL acquired 2 ordinary shares of RM1.00 each at par representing the entire issued and paid-up share capital of Platinum Meadow Sdn. Bhd ("PMSB") for a total cash consideration of RM2.00. PMSB, 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.
- (vi) WCT Offshore (L) Ltd, a wholly-owned subsidiary of WCT which has been dormant since its incorporation on 29 March 2007, has been struck off from the Register of LOFSA with effect from 30 November 2010 pursuant to Section 151 (4) of the Offshore Companies Act 1990 as per LOSFA's letter dated 30 November 2010 which was received on 2 December 2010.

A13 Contingent Liabilities

Contingent liabilities of the Group as at 18 February 2011 (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 RM1,031 million and RM1 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	536,286	3,972
Discharged/paid during the period	(212,391)	(4,161)
Balance as at 18 February 2011	<u>1,030,928</u>	<u>1,020</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	42,531
Capital expenditure approved but not contracted for investment	74,242
Capital expenditure approved and contracted for property, plant and equipment	70,516
Share of capital commitments of jointly controlled entities	37,871
	<u>225,160</u>

A15 Significant Related Party Transactions

	RM'000
<u>The Group</u>	
Rental of property paid to a Director of the Company	<u>412</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 RM438 million as compared with RM1,208 million of the corresponding quarter. Net profit after taxation and minority interest of the Group was RM42 million as compared with RM33 million of the corresponding quarter.

For the current financial year to date, the Group achieved revenue of RM1,709 million and net profit after taxation and minority interest of RM141 million against revenue of RM4.7 billion and net profit after taxation and minority interest of RM147 million respectively recorded in the previous financial year.

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 RM438 million and RM42 million as compared to revenue and profit after taxation and minority interest of RM357 million and RM31 million reported in the immediate preceding quarter.

B3 Prospect For Financial Year 2011

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 forthcoming financial year.

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 31.12.2010)	PRECEDING YEAR CORRESPONDING (3 months period To 31.12.2009)	CURRENT YEAR TO DATE (12 months period To 31.12.2010)	PRECEDING YEAR CORRESPONDING (12 months period To 31.12.2009)
	RM'000	RM'000	RM'000	RM'000
Taxation comprises:-				
Malaysia Tax				
- Current year	(2,646)	(2,012)	19,119	3,836
- Prior years	594	(18)	850	1,240
- Deferred taxation	13,458	(6,480)	27,917	(9,862)
	11,406	(8,510)	47,886	(4,786)
Foreign tax	-	-	-	-
	11,406	(8,510)	47,886	(4,786)

The effective tax rate for the current quarter and cumulative period ended 31 December 2010 is lower than the statutory tax rate mainly due to income of a foreign subsidiary and several joint venture entities which is not subjected to income tax.

The effective tax rate for the corresponding quarter and cumulative period ended 31 December 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 RM15.3 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 31 December 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 18 February 2011 (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 the Company is proposing the following:-

- (i) proposed issuance of the RM600,000,000 nominal value of serial fixed rate bonds of up to 5 years ("Bonds") with up to 181,085,174 WCT Warrants on a 'bought deal' basis to the primary subscribers ("Bonds with Warrants Issuance") ; 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 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.

The SC's approval for the issuance of the Bonds pursuant to the Bonds with Warrants Issuance was obtained vide its letter dated 25 October 2010. The approval of the SC is subject to, inter-alia, the Joint Advisers 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. This has been complied with as there has been no change to the terms and conditions of the Bonds prior to the issue date of the Bonds on 28 December 2010.

The Company had also obtained the approval-in-principle from Bursa Securities vide its letter dated 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 and quotation of up to 193,736,279 WCT Warrants on the Main Market of Bursa Securities; and
- (c) the listing and quotation of up to 193,736,279 new WCT Shares to be issued upon exercise of the WCT Warrants on the Main Market of Bursa Securities,

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

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

- (i) the Company and the Joint Advisers must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Bonds with Warrants Issuance;
- (ii) the Company and the Joint Advisers to inform Bursa Securities upon the completion of the Bonds with Warrants Issuance; and
- (iii) the Company to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Bonds with Warrants Issuance is completed.

The Company had obtained the approval of the Controller vide its letter dated 15 November 2010 for the issuance of the WCT Warrants to non-residents.

The Company's shareholders approved the Proposed Bonds with Warrants at the Extraordinary General Meeting held on 13 December 2010.

On 28 December 2010, the Company had successfully completed the issuance of the Bonds.

On 21 January 2011, the Joint Advisers, on behalf of the Board, announced the following:-

- (a) the offer price of the WCT Warrants had been fixed at RM0.34 per WCT Warrant; and
- (b) the exercise price of the WCT Warrants had been fixed at RM2.75 for every one (1) new WCT Share, representing a 10% premium to the adjusted exercise price of Warrants 2008/2013 of RM2.50.

On 28 January 2011, the Joint Advisers, on behalf of the Board, announced that the entitlement date for the Offer for Sale has been fixed at 5.00 p.m. on 17 February 2011.

The Offer for Sales is expected to be completed by the first quarter of 2011.

B9 Realised and Unrealised Profits

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits, pursuant to the directive, is as follows:

	As at 31 December 2010 RM'000	As at 30 September 2010 RM'000
Total retained profits of the Company and its subsidiaries:-		
- Realised	1,054,426	927,377
- Unrealised		
- in respect of deferred tax recognized in the income statement	(40,322)	(4,864)
- in respect of revaluation of properties	73,832	37,230
- in respect of unrealized foreign exchange	(51,501)	(51,887)
	<u>1,036,435</u>	<u>907,856</u>
Total share of retained profits from associated companies:-		
- Realised	51,970	47,841
- Unrealised	(1,246)	(1,253)
	<u>50,724</u>	<u>46,588</u>
Total share of retained profits from jointly controlled entities:-		
- Realised	(150,251)	(121,885)
- Unrealised	(1,549)	(1,549)
	<u>(151,800)</u>	<u>(123,434)</u>
Less : Consolidation adjustment	<u>(430,184)</u>	<u>(361,039)</u>
Total Group retained profits as per consolidated accounts	<u>505,175</u>	<u>469,971</u>

B9 Realised and Unrealised Profits (cont'd)

The determination of realised and unrealised profits is based on the Guidance of 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*, issued by the Malaysian Institute of Accountants on 20 December 2010.

Accordingly, the unrealised retained profits of the Group as disclosed above excludes translation gains and losses on monetary items denominated in a currency other than the functional currency and foreign exchange contracts, as these translation gains and losses are incurred in the ordinary course of business of the Group, and are hence deemed as realised.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

B10 Group Borrowings And Debt Securities

Details of group borrowings are as follows:-

	As at 31.12.2010 RM'000	As at 31.12.2009 RM'000
Long Term Bank Borrowings		
<u>Secured:-</u>		
Long Term Loan	240,244	229,962
Hire Purchase Creditors	11,570	11,195
	251,814	241,157
<u>Unsecured:-</u>		
BAIDS	40,000	70,000
ICP/IMTN	100,000	200,000
SUKUK	189,622	280,532
BONDS	545,991	-
	875,613	550,532
	1,127,427	791,689
Short Term Bank Borrowings		
<u>Secured :-</u>		
Hire Purchase Creditors	13,537	10,348
Revolving Credit	70,000	70,000
Term Loans	66,453	16,440
	149,990	96,788
<u>Unsecured :-</u>		
Bank Overdraft	7,887	11,937
Banker Acceptance	18,236	17,982
Term Loans	-	50,000
BAIDS	30,000	30,000
ICP/IMTN	200,000	-
SUKUK	99,341	-
	355,464	109,919
	505,454	206,707
	1,632,881	998,396

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

B11 Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at 18 February 2011 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

B12 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 18 February 2011 (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 procedural meetings have been held and pre-trial 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.

B13 Dividends

	PAID in Year Ended 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 5.0 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 5.0 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 5.0 sen per ordinary share of RM0.50 each less 25% tax	29,400	-
	59,071	55,912

Subject to the shareholders' approval at the forthcoming Annual General Meeting, a final dividend of 5.0 sen per share less 25% tax on ordinary shares of RM0.50 each for the financial year ended 31 December 2010 has been recommended.

B14 Earnings Per Share

	Reporting Quarter 31.12.2010	Current Year To Date 31.12.2010
(a) Basic Earnings Per Share		
Profit attributable to the equity holders of the parent (RM'000)	41,890	141,154
Weighted average number of ordinary shares in issue ('000)	790,404	787,915
Basic earnings per share (sen)	5.30	17.91
(b) Fully Diluted Earnings Per Share		
Profit attributable to the equity holders of the parent (RM'000)	41,890	141,154
Weighted average number of ordinary shares in issue ('000)	790,404	787,915
Effects of dilution:		
Shares options ('000)	6,797	7,188
Warrants ('000)	-	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	797,201	795,103
Fully diluted earnings per share (sen)	5.25	17.75

B15 Comparative Figures

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

Date: 25th February 2011