

**WCT BERHAD**  
(Company Number : 66538-K)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED INCOME STATEMENT FOR THE FIRST QUARTER ENDED  
31 MARCH 2011**

( The figures have not been audited )

**CONSOLIDATED INCOME STATEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2011**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 31.03.2011) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 31.03.2010) RM'000	CURRENT YEAR TO DATE (3 months to 31.03.2011) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 31.03.2010) RM'000
Revenue	315,614	400,120	315,614	400,120
Cost of sales	(247,381)	(331,205)	(247,381)	(331,205)
<b>Gross profit</b>	<b>68,233</b>	<b>68,915</b>	<b>68,233</b>	<b>68,915</b>
Other income	15,844	8,030	15,844	8,030
Other expenses	(2,288)	(1,800)	(2,288)	(1,800)
Administrative expenses	(16,482)	(14,799)	(16,482)	(14,799)
Finance costs	(18,709)	(11,650)	(18,709)	(11,650)
Share of profit after tax of associates	2,950	2,425	2,950	2,425
	<b>49,548</b>	<b>51,121</b>	<b>49,548</b>	<b>51,121</b>
Income tax expense	(11,256)	(13,343)	(11,256)	(13,343)
<b>Profit for the period</b>	<b>38,292</b>	<b>37,778</b>	<b>38,292</b>	<b>37,778</b>
Attributable to:				
Equity holders of the parent	37,392	34,948	37,392	34,948
Minority interest	900	2,830	900	2,830
<b>Profit for the period</b>	<b>38,292</b>	<b>37,778</b>	<b>38,292</b>	<b>37,778</b>
Attributable to equity holders of the parent :				
Basic earnings per share (sen)	4.71	4.45	4.71	4.45
Fully diluted earnings per share (sen)	4.35	4.41	4.35	4.41

(The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 FIRST QUARTER ENDED 31 MARCH 2011**

(The figures have not been audited)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2011**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 31.03.2011) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 31.03.2010) RM'000	CURRENT YEAR TO DATE (3 months to 31.03.2011) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 31.03.2010) RM'000
Profit for the period	38,292	37,778	38,292	37,778
Other comprehensive income/(loss):				
Currency translation differences arising from consolidation	(12,540)	(39,482)	(12,540)	(39,482)
Other comprehensive income/(loss) for the period, net of tax	(12,540)	(39,482)	(12,540)	(39,482)
Total comprehensive income/(loss) for the period	25,752	(1,704)	25,752	(1,704)
Total comprehensive income/(loss) for the period attributable to :				
Equity holders of the parent	29,658	5,805	29,658	5,805
Minority interest	(3,906)	(7,509)	(3,906)	(7,509)
	25,752	(1,704)	25,752	(1,704)

(The consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 MARCH 2011**

	AS AT CURRENT QUARTER 31.03.2011	AS AT FINANCIAL YEAR ENDED 31.12.2010
	UNAUDITED RM'000	AUDITED RM'000
<b>ASSETS</b>		
<b><u>Non-current assets</u></b>		
Property, plant and equipment	274,479	292,163
Land held for property development	217,814	220,761
Investment properties	618,610	614,266
Investment in associates	173,735	175,966
Other investments	9,804	9,804
Trade receivables	1 409,587	389,324
Other receivables	1 237,013	233,966
Deferred tax assets	18,161	7,219
	<u>1,959,203</u>	<u>1,943,469</u>
<b><u>Current assets</u></b>		
Property development costs	214,348	228,783
Inventories	69,068	74,393
Trade receivables	636,533	854,594
Other receivables	610,031	284,615
Due from related parties	936	4,223
Cash and cash equivalents	1,247,709	1,162,407
	<u>2,778,625</u>	<u>2,609,015</u>
<b>TOTAL ASSETS</b>	<u>4,737,828</u>	<u>4,552,484</u>
<b>EQUITY AND LIABILITIES</b>		
<b><u>Equity attributable to equity</u></b>		
<b><u>holders of the parent</u></b>		
Share capital	395,873	393,471
Irredeemable Convertible Preference Shares ("ICPS")	1,867	2,069
Share premium	388,846	379,869
Reserves	561,915	479,969
	<u>1,348,501</u>	<u>1,255,378</u>
Minority interests	271,244	275,150
<b>Total equity</b>	<u>1,619,745</u>	<u>1,530,528</u>

**WCT BERHAD**

(Company Number : 66538-K)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011 (Cont'd)**

	AS AT END OF CURRENT QUARTER 31.03.2011	AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2010
	UNAUDITED RM'000	AUDITED RM'000
<b>EQUITY AND LIABILITIES (Cont'd)</b>		
<b><u>Long-term liabilities</u></b>		
Trade payables	2 97,446	105,176
Other payables	2 229,548	226,541
Borrowings	1,052,644	1,127,422
Deferred tax liabilities	37,179	25,384
	<u>1,416,817</u>	<u>1,484,523</u>
<b><u>Current liabilities</u></b>		
Trade payables	670,646	802,505
Other payables	481,504	228,353
Due to related parties	-	-
Borrowings	546,307	505,439
Tax payable	2,809	1,136
	<u>1,701,266</u>	<u>1,537,433</u>
<b>Total Liabilities</b>	<u>3,118,083</u>	<u>3,021,956</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>4,737,828</u>	<u>4,552,484</u>
Net asset per share (RM)	1.70	1.60

(1) Included receivables of RM253 million in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecourse project.

(2) Included payables of RM253 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 2010 and the accompanying explanatory notes attached to the interim financial statements.)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 3 MONTHS ENDED 31 MARCH 2011

	Attributable to Equity Holders of the Parent										Minority interest	Total equity
	Non-Distributable					Distributable						
Note	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
<i>Preceding year corresponding period</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
- as previously stated												
- effect of adopting FRS 139												
At 1 January 2010, as restated	388,856	3,718	369,256	34,689	535	(25,238)	2,846	8,117	6,440	2,616	429,672	1,221,507
Profit for the period	-	-	-	-	-	-	-	-	-	-	34,948	37,778
Other comprehensive income/(loss)	-	-	-	-	-	(29,143)	-	-	-	-	-	(29,143)
Total comprehensive income for the period	388,856	3,718	369,256	34,689	535	(54,381)	2,846	8,117	6,440	2,616	464,620	1,227,312
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Share options granted under ESOS	-	-	-	-	-	-	-	350	-	-	-	350
Arising from share options exercised	371	-	542	-	-	-	-	-	-	-	-	913
Arising from conversion of ICPS	59	(59)	-	-	-	-	-	-	-	-	-	-
Arising from conversion of warrants	-	-	-	-	-	-	-	-	-	-	-	-
Arising from incorporation of new subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-
Transfer within reserve for ESOS exercised	-	-	235	-	-	-	-	(235)	-	-	-	-
Transfer within reserve for warrants exercised	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to within reserve	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2010	389,286	3,659	370,033	34,689	535	(54,381)	2,846	8,232	6,440	2,616	464,620	1,228,375
<i>Current year to date</i>												
At 1 January 2011	393,471	2,069	379,869	34,688	476	(85,730)	2,846	16,224	7,935	2,616	500,914	1,255,378
Profit for the period	-	-	-	-	-	-	-	-	-	-	37,392	37,392
Other comprehensive income/(loss)	-	-	-	-	-	(7,734)	-	-	-	-	-	(7,734)
Total comprehensive income/(loss) for the period	393,471	2,069	379,869	34,688	476	(93,464)	2,846	16,224	7,935	2,616	538,306	1,285,036
Share options vested under ESOS	-	-	-	-	-	-	-	1,469	-	-	-	1,469
Arising from share options exercised	2,200	-	6,453	-	-	-	-	-	-	-	-	8,653
Arising from conversion of ICPS	202	(202)	-	-	-	-	-	-	-	-	-	-
Arising from issuances of warrants 2011/2016	-	-	-	53,343	-	-	-	-	-	-	-	53,343
Transfer within reserve for ESOS exercised	-	-	2,524	-	-	-	-	(2,524)	-	-	-	-
At 31 March 2011	395,873	1,867	388,846	88,031	476	(93,464)	2,846	15,169	7,935	2,616	538,306	1,348,501

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.)

**WCT BERHAD**  
(Company Number : 66538-K)

**CONSOLIDATED CASH FLOW STATEMENT FOR THE 3 MONTHS ENDED 31 MARCH 2011**

	UNAUDITED CUMULATIVE PERIOD CURRENT YEAR TO DATE 31.03.2011 RM'000	CUMULATIVE PERIOD PRECEDING YEAR CORRESPONDING 31.03.2010 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	49,548	51,121
Adjustments for:-		
Non-cash items	(37,013)	23,375
Non-operating items - financing	7,333	9,463
Non-operating items - investing	(3,119)	(2,425)
Operating profit before working capital changes	16,749	81,534
Net changes in current assets	(66,759)	443,896
Net changes in current liabilities	112,735	(534,752)
Cash flows generated from operations	62,725	(9,322)
Interest paid *	(15,363)	(10,981)
Interest received	6,587	2,187
Taxation paid	(4,569)	(745)
Net cash generated from/(used in) operating activities	49,380	(18,861)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment	12,456	(7,062)
Refund of share application monies from associates	2,409	-
Withdrawal from redemption and FSRA accounts	(184)	460
Net cash used in investing activities	14,681	(6,602)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceed from issuance of shares	8,653	914
Proceed from issuance of warrants	53,698	-
Incidental costs of issuance of warrants	(171)	-
Dividend paid	-	-
Bank borrowings	(40,784)	3,026
Net cash generated from financing activities	21,396	3,940
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	85,457	(21,523)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	1,149,694	697,748
Foreign exchange differences	(1,555)	(17,775)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD **	1,233,596	658,450

\* Included in interest paid is interest capitalised amounting to RM1,757,809.

\*\* Cash & cash equivalents excludes bank held under Redemption Account amounting to RM243,914, fixed deposits with licensed bank amounting to RM770,000 and fixed deposits held under Finance Service Reserve Account amounting to RM3,994,443.

(The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 FIRST QUARTER  
ENDED 31 MARCH 2011**

**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 2010. 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 2010.

**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 2010, except for the adoption of the following new Financial Reporting Standards ("FRSs"), Amendments to FRSs and Interpretations with effect from 1 January 2011.

On 1 January 2011, the Group adopted the following FRSs:-

**FRSs, Amendments to FRSs and Interpretations**

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (revised)
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 127	Consolidated and Separate Financial Statements
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 12	Service Concession Agreements
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters

**A2 Changes in Accounting Policies (Cont'd)**

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

Amendments to FRS 1	Additional Exemption for First-Time adoption
Amendments to FRS 7	Improving Disclosures about Financial Instruments
IC Interpretation 4	Determining whether an Agreement contains a Lease
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
FRS 124	Related Party Disclosures
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 140	Investment Property
IC Interpretation 10	Interim Financial Reporting and Impairment

The initial application of the above FRSs, Amendments to FRSs and IC Interpretations is not expected to have any significant impact or result in any significant changes in the accounting policies and presentation of the financial results of the Group.

**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 2010.

**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 March 2011.

**A6 Changes In Estimate**

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the quarter ended 31 March 2011.



**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 4,400,584 new ordinary shares of RM0.50 each pursuant to the exercise of the ESOS at the exercise price of RM0.63 to RM2.44 per ordinary share.
- (b) Issuance of 404,438 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 B13.

**A9 Segmental Information**

	CURRENT YEAR QUARTER/ YEAR TO DATE (3 months period to 31.3.2011) RM'000	PRECEDING YEAR TO DATE (3 months period to 31.3.2010) RM'000
<b>Segment Revenue</b>		
Civil engineering & construction	253,182	368,564
Property development	56,928	44,072
Property investment & management	11,699	7,844
Total revenue including intra-group revenue	321,809	420,480
Elimination of intra-group revenue	(6,195)	(20,360)
Total revenue	<u>315,614</u>	<u>400,120</u>
<b>Segment profit from operation</b>		
Civil engineering & construction	44,383	43,349
Property development	16,179	12,679
Property investment & management	8,778	3,379
	69,340	59,407
Elimination of intra-group profit	(4,033)	939
Total profit from operation	<u>65,307</u>	<u>60,346</u>

**A10 Carrying Amount Of Revalued Assets**

The valuations of 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 2010.

**A11 Subsequent Material Events**

There were no material events subsequent to the reporting period up to 20 May 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 25 January 2011, the Company acquired 2 ordinary shares of RM1.00 each at par representing the entire issued and paid-up share capital of the following companies:

- (a) WCT Green Sdn. Bhd.
- (b) WCT Group Sdn. Bhd.
- (c) WCT Holdings Sdn. Bhd.

And on even date, 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 Assets Sdn. Bhd..

The subsidiary companies are 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 respectively.

- (ii) On 24 February 2011, WCTL has acquired 2 ordinary shares of RM1.00 each at par representing the entire issued and paid-up share capital of WCT Realty Sdn. Bhd. ("WCTRSB") for a total cash consideration of RM2.00. WCTRSB, 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 20 May 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 RM981.386 million and RM0.057 million respectively provided by the Group to various parties in the ordinary course of business and tax matters under appeal amounting to RM6 million of the Group. The changes in contingent liabilities since 18 February 2011 are as follows:-

(a)	Bank Guarantees RM'000	Letters of Credit RM'000
Balance as at 18 February 2011	1,030,928	1,020
Extended/utilised during the period	7,231	-
Discharged/paid during the period	(56,773)	(963)
	<hr/>	<hr/>
Balance as at 20 May 2011	<u>981,386</u>	<u>57</u>

(b) The tax matters under appeal of the Group totaling RM6 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	41,946
Capital expenditure approved but not contracted for investment	74,242
Capital expenditure approved and contracted for property, plant & equipment and development	70,865
Share of capital commitments of jointly controlled entities	37,871
	<hr/>
	<u>224,924</u>

**A15 Significant Related Party Transactions**

	RM'000
<u>The Group</u>	
Rental of property paid to a Director of the Company	<u>103</u>

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

**B1 Review Of The Performance Of The Group**

For the quarter ended 31 March 2011, WCT Group registered revenue of RM316 million as compared to RM400 million in the previous corresponding quarter. Profit after taxation and minority interest improved by RM2.4 million or 7% to RM37 million. The improved earnings was mainly due to higher contribution by the Civil Engineering & Construction Division.

**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 RM316 million and RM37 million as compared to revenue and profit after taxation and minority interest of RM438 million and RM42 million reported in the immediate preceding quarter.

**B3 Prospect For Financial Year 2011**

The Group is confident to achieve satisfactory results for the remaining period of the financial year ending 31 December 2011.

**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 31.03.2011)	PRECEDING YEAR CORRESPONDING (3 months period To 31.03.2010)	CURRENT YEAR TO DATE (3 months period To 31.03.2011)	PRECEDING YEAR CORRESPONDING (3 months period To 31.03.2010)
	RM'000	RM'000	RM'000	RM'000
Taxation comprises:-				
Malaysia Tax				
- Current year	10,436	2,537	10,436	2,537
- Prior years	-	-	-	-
- Deferred taxation	820	10,806	820	10,806
	11,256	13,343	11,256	13,343

**B5 Taxation (Cont'd)**

The effective tax rate for the current quarter ended 31 March 2011 is lower than the statutory tax rate mainly due to income of overseas operation which is not subjected to income tax.

The effective tax rate for the quarter ended 31 March 2010 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**

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 2011, the Group did not hold any quoted securities.

**B8 Status Of Corporate Proposals Announced**

The corporate proposals announced previously which have been completed are summarized below:

- (1) On 28 December 2010, the Company issued RM600 million nominal value of serial fixed rate bonds of up to 5 years ("Bonds") with 157,935,129 detachable warrants.
- (2) The subscription rights to the 157,935,129 detachable warrants ("the Said Warrants") were offered for sale by the Primary Subscribers to the Entitled Shareholders of the Company on the basis of 1 provisional right allotment of 1 Warrant for every 5 entitled WCT shares held on 17 February 2011 at an offer price of RM0.34 per Warrant.
- (3) The Said Warrants were issued and listed on the Main Board of Bursa Malaysia Securities Berhad on 18 March 2011.

Save as disclosed above, the Group did not announce any other corporate proposal which has not been completed as at 20 May 2011 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

**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 March 2011 RM'000	As at 31 December 2010 RM'000
Total retained profits of the Company and its subsidiaries:-		
- Realised	1,086,185	1,040,924
- Unrealised	(7,359)	(4,489)
	1,078,826	1,036,435
Total share of retained profits from associated companies:-		
- Realised	54,899	51,970
- Unrealised	(1,224)	(1,245)
	53,675	50,725
Total share of retained profits from jointly controlled entities:-		
- Realised	(151,077)	(150,251)
- Unrealised	(1,224)	(1,549)
	(152,301)	(151,800)
Less : Consolidation adjustment	(441,894)	(434,446)
Total Group retained profits as per consolidated accounts	538,306	500,914

**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.

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**B10 Group Borrowings And Debt Securities**

Details of group borrowings are as follows:-

	As at 31.3.2011 RM'000	As at 31.12.2010 RM'000
<b>Long Term Bank Borrowings</b>		
<u>Secured:-</u>		
Long Term Loan	301,034	240,244
Hire Purchase Creditors	8,427	11,565
	<u>309,461</u>	<u>251,809</u>
<u>Unsecured:-</u>		
BAIDS	-	40,000
ICP/IMTN	100,000	100,000
SUKUK	93,965	189,622
BONDS	549,218	545,991
	<u>743,183</u>	<u>875,613</u>
	<u>1,052,644</u>	<u>1,127,422</u>
<b>Short Term Bank Borrowings</b>		
<u>Secured :-</u>		
Hire Purchase Creditors	13,051	13,523
Revolving Credit	70,000	70,000
Term Loans	66,510	66,453
	<u>149,561</u>	<u>149,976</u>
<u>Unsecured :-</u>		
Bank Overdraft	9,105	7,886
Banker Acceptance	20,584	18,236
BAIDS	70,000	30,000
ICP/IMTN	200,000	200,000
SUKUK	97,057	99,341
	<u>396,746</u>	<u>355,463</u>
	<u>546,307</u>	<u>505,439</u>
	<u>1,598,951</u>	<u>1,632,861</u>

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



#### **B11 Off Balance Sheet Financial Instruments**

There were no financial instruments with off balance sheet risk as at 20 May 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 2010 (the last annual balance sheet date) to 20 May 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 the Company has no knowledge of any proceedings pending or threatened against the Company or of any facts likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group during the said period.

- (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 Ending 31 Dec 2011	PAID in Year Ended 31 Dec 2010
	RM'000	RM'000
<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 ended 31 December 2010		
5.0 sen per ordinary share of RM0.50 each less		
25% tax	-	29,400
Total net dividend paid	-	59,071

A final dividend of 5.0 sen per share less Malaysian Income Tax of 25% for the financial year ended 31 December 2010 was approved by the shareholders at the Annual General Meeting held on 18 May 2011.

The entitlement date for the final dividend is fixed on 25 May 2011 and a Depositor shall qualify for entitlement only in respect of:-

- i) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 25 May 2011 in respect of ordinary transfer; and
- ii) Shares bought on the Bursa Securities on a cum entitlement basis in accordance with the Rules of Bursa Securities.

The final dividend will be payable on 6 June 2011.

**B14 Earnings Per Share**

**Reporting  
 Quarter/  
 Current Year  
 To Date  
 31.3.2011**

**(a) Basic Earnings Per Share**

Profit attributable to the equity holders of the parent (RM'000)	37,392
Weighted average number of ordinary shares in issue ('000)	794,172
Basic earnings per share (sen)	4.71

**(b) Fully Diluted Earnings Per Share**

Profit attributable to the equity holders of the parent (RM'000)	37,392
Weighted average number of ordinary shares in issue ('000)	794,172
Effects of dilution:	
Shares options ('000)	14,346
Warrants ('000)	51,545
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	860,063
Fully diluted earnings per share (sen)	4.35

**B15 Comparative Figures**

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

Date: 26<sup>th</sup> May 2011