



**WCT BERHAD**  
(Company Number : 66538-K)  
(Incorporated in Malaysia)

Date : 16 August 2011

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2011**

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**WCT BERHAD**

(Company Number : 66538-K)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED INCOME STATEMENT FOR THE SECOND QUARTER ENDED 30 JUNE 2011**

(The figures have not been audited)

**CONSOLIDATED INCOME STATEMENT FOR THE SECOND QUARTER ENDED 30 JUNE 2011**

|   | INDIVIDUAL QUARTER   |  | CUMULATIVE PERIOD  |  |
|---|--|--|--|--|
|   | CURRENT YEAR<br>QUARTER<br>(3 months<br>to 30.06.2011)<br>RM'000 | PRECEDING YEAR<br>CORRESPONDING<br>(3 months<br>to 30.06.2010)<br>RM'000 | CURRENT YEAR<br>TO DATE<br>(6 months<br>to 30.06.2011)<br>RM'000 | PRECEDING YEAR<br>CORRESPONDING<br>(6 months<br>to 30.06.2010)<br>RM'000 |
| Revenue   | 375,934  | 513,565  | 691,548  | 913,685  |
| Cost of sales                                     | (289,594)  | (437,815)  | (536,975)  | (769,020)  |
| <b>Gross profit</b>                               | <b>86,340</b>  | <b>75,750</b>  | <b>154,573</b>   | <b>144,665</b>   |
| Other income                                      | 1,583  | 11,524   | 17,427   | 19,554   |
| Other expenses                                    | (7,132)  | (6,865)  | (9,420)  | (8,665)  |
| Administrative expenses                           | (16,841)   | (13,566)   | (33,323)   | (28,365)   |
| Finance costs                                     | (16,609)   | (11,902)   | (35,318)   | (23,552)   |
| Share of profit after tax<br>of associates        | 3,458  | (273)  | 6,408  | 2,152  |
|   | <b>50,799</b>  | <b>54,668</b>  | <b>100,347</b>   | <b>105,789</b>   |
| Income tax expense                                | (11,490)   | (17,310)   | (22,746)   | (30,653)   |
| <b>Profit for the period</b>                      | <b>39,309</b>  | <b>37,358</b>  | <b>77,601</b>  | <b>75,136</b>  |
| Attributable to:                                  |  |  |  |  |
| Equity holders of the parent                      | 37,789   | 33,754   | 75,181   | 68,702   |
| Minority interest                                 | 1,520  | 3,604  | 2,420  | 6,434  |
| <b>Profit for the period</b>                      | <b>39,309</b>  | <b>37,358</b>  | <b>77,601</b>  | <b>75,136</b>  |
| Attributable to equity holders of<br>the parent : |  |  |  |  |
| Basic earnings per share (sen)                    | 4.71   | 4.29   | 9.42   | 8.74   |
| Fully diluted earnings<br>per share (sen)         | 4.40   | 4.25   | 8.78   | 8.66   |

(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 SECOND QUARTER ENDED 30 JUNE 2011**

(The figures have not been audited)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2011**

|   | INDIVIDUAL QUARTER   |  | CUMULATIVE PERIOD  |  |
|---|--|--|--|--|
|   | CURRENT YEAR<br>QUARTER<br>(3 months<br>to 30.06.2011)<br>RM'000 | PRECEDING YEAR<br>CORRESPONDING<br>(3 months<br>to 30.06.2010)<br>RM'000 | CURRENT YEAR<br>TO DATE<br>(6 months<br>to 30.06.2011)<br>RM'000 | PRECEDING YEAR<br>CORRESPONDING<br>(6 months<br>to 30.06.2010)<br>RM'000 |
| Profit for the period   | 39,309   | 37,358   | 77,601   | 75,136   |
| Other comprehensive income/(loss):                                    |  |  |  |  |
| Currency translation differences<br>arising from consolidation        | 12,579   | (4,474)  | 39   | (43,956)   |
| Other comprehensive income/(loss)<br>for the period, net of tax       | 12,579   | (4,474)  | 39   | (43,956)   |
| Total comprehensive income/(loss)<br>for the period                   | 51,888   | 32,884   | 77,640   | 31,180   |
| Total comprehensive income/(loss)<br>for the period attributable to : |  |  |  |  |
| Equity holders of the parent  | 49,117   | 30,574   | 78,775   | 36,379   |
| Minority interest   | 2,771  | 2,310  | (1,135)  | (5,199)  |
|   | 51,888   | 32,884   | 77,640   | 31,180   |

(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 30 JUNE 2011**

|  | AS AT<br>CURRENT<br>QUARTER<br>30.06.2011 | AS AT<br>FINANCIAL<br>YEAR ENDED<br>31.12.2010 |
|--|---|--|
|  | UNAUDITED<br>RM'000                       | AUDITED<br>RM'000                              |
| <b>ASSETS</b>  |   |  |
| <b><u>Non-current assets</u></b>                       |   |  |
| Property, plant and equipment                          | 264,474                                   | 292,163  |
| Land held for property development                     | 237,598                                   | 220,761  |
| Investment properties                                  | 646,045                                   | 614,266  |
| Intangible assets                                      | 961                                       | -  |
| Investment in associates                               | 178,016                                   | 175,966  |
| Other investments                                      | 9,804                                     | 9,804  |
| Trade receivables                                      | 1 419,894                                 | 389,324  |
| Other receivables                                      | 1 236,645                                 | 233,966  |
| Deferred tax assets                                    | 19,616                                    | 7,219  |
|  | <u>2,013,053</u>                          | <u>1,943,469</u>                               |
| <b><u>Current assets</u></b>                           |   |  |
| Property development costs                             | 218,457                                   | 228,783  |
| Inventories  | 68,331                                    | 74,393   |
| Trade receivables                                      | 651,821                                   | 854,594  |
| Other receivables                                      | 329,928                                   | 284,615  |
| Due from related parties                               | 940                                       | 4,223  |
| Cash and cash equivalents                              | 1,140,880                                 | 1,162,407                                      |
|  | <u>2,410,357</u>                          | <u>2,609,015</u>                               |
| <b>TOTAL ASSETS</b>                                    | <u>4,423,410</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  | 400,358                                   | 393,471  |
| Irredeemable Convertible<br>Preference Shares ("ICPS") | 1,821                                     | 2,069  |
| Share premium  | 406,962                                   | 379,869  |
| Reserves   | 579,378                                   | 479,969  |
|  | <u>1,388,519</u>                          | <u>1,255,378</u>                               |
| Minority interests                                     | 274,015                                   | 275,150  |
| <b>Total equity</b>                                    | <u>1,662,534</u>                          | <u>1,530,528</u>                               |

**WCT BERHAD**

(Company Number : 66538-K)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011 (Cont'd)**

|  |   | AS AT<br>CURRENT<br>QUARTER<br>30.06.2011 | AS AT<br>FINANCIAL<br>YEAR ENDED<br>31.12.2010 |
|--|---|---|--|
|  |   | UNAUDITED<br>RM'000                       | AUDITED<br>RM'000                              |
| <b>EQUITY AND LIABILITIES (Cont'd)</b> |   |   |  |
| <b><u>Long-term liabilities</u></b>    |   |   |  |
| Trade payables                         | 2 | 108,310                                   | 105,176  |
| Other payables                         | 2 | 230,597                                   | 226,541  |
| Borrowings                             |   | 1,073,234                                 | 1,127,422                                      |
| Deferred tax liabilities               |   | 37,816                                    | 25,384   |
|  |   | <u>1,449,957</u>                          | <u>1,484,523</u>                               |
| <b><u>Current liabilities</u></b>      |   |   |  |
| Trade payables                         |   | 529,121                                   | 802,505  |
| Other payables                         |   | 472,768                                   | 228,353  |
| Due to related parties                 |   | -   | -  |
| Borrowings                             |   | 304,179                                   | 505,439  |
| Tax payable                            |   | 4,851                                     | 1,136  |
|  |   | <u>1,310,919</u>                          | <u>1,537,433</u>                               |
| <b>Total Liabilities</b>               |   | <u>2,760,876</u>                          | <u>3,021,956</u>                               |
| <b>TOTAL EQUITY AND LIABILITIES</b>    |   | <u>4,423,410</u>                          | <u>4,552,484</u>                               |
| Net asset per share (RM)               |   | 1.73                                      | 1.60   |

(1) Included receivables of RM254 million in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecourse project.

(2) Included payables of RM254 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 6 MONTHS ENDED 30 JUNE 2011

| Note   | Share capital<br>RM'000 | Preference Shares<br>RM'000 | Share premium<br>RM'000 | Warrant reserve<br>RM'000 | Other reserve<br>RM'000 | Attributable to Equity Holders of the Parent |                           |                                       |                               | Minority interest<br>RM'000 | Total equity<br>RM'000    |          |           |
|--|-------------------------|-----------------------------|-------------------------|---------------------------|-------------------------|--|---------------------------|---------------------------------------|-------------------------------|-----------------------------|---------------------------|----------|-----------|
|  |                         |                             |                         |                           |                         | Non-Distributable                            |                           | Distributable                         |                               |                             |                           |          |           |
|  |                         |                             |                         |                           |                         | Exchange reserve<br>RM'000                   | Capital reserve<br>RM'000 | Equity compensation reserve<br>RM'000 | Revaluation reserve<br>RM'000 | General reserve<br>RM'000   | Retained profit<br>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                   | 233,012  | 1,486,976 |
| - 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                       | 462,129                   | 233,012  | 1,486,976 |
| Profit for the period                            | -                       | -                           | -                       | -                         | -                       | (32,323)                                     | -                         | -                                     | -                             | -                           | 68,702                    | 6,434    | 75,136    |
| Other comprehensive income/(loss)                | -                       | -                           | -                       | -                         | -                       | -  | -                         | -                                     | -                             | -                           | -                         | (11,633) | (43,956)  |
| Total comprehensive income for the period        | 388,856                 | 3,718                       | 369,256                 | 34,689                    | 535                     | (57,561)                                     | 2,846                     | 8,117                                 | 6,440                         | 2,616                       | 498,374                   | 227,813  | 1,485,699 |
| Dividends  | -                       | -                           | -                       | -                         | -                       | -  | -                         | -                                     | -                             | -                           | (29,364)                  | -        | (29,364)  |
| Share options granted under ESOS                 | -                       | -                           | -                       | -                         | -                       | -  | -                         | 3,887                                 | -                             | -                           | 3,887                     | -        | 3,887     |
| Arising from share options exercised             | 1,265                   | -                           | 2,802                   | -                         | -                       | -  | -                         | -                                     | -                             | -                           | -                         | -        | 4,067     |
| Arising from conversion of ICPS                  | 1,444                   | (1,444)                     | -                       | -                         | -                       | -  | -                         | -                                     | -                             | -                           | -                         | -        | -         |
| Arising from incorporation of new subsidiaries   | -                       | -                           | -                       | -                         | -                       | -  | -                         | -                                     | -                             | -                           | -                         | -        | -         |
| Transfer within reserve for ESOS exercised       | -                       | -                           | 1,195                   | -                         | -                       | -  | -                         | (1,195)                               | -                             | -                           | -                         | -        | -         |
| Transfer to within reserve                       | -                       | -                           | -                       | -                         | 24                      | -  | -                         | -                                     | -                             | -                           | (24)                      | -        | -         |
| At 30 June 2010                                  | 391,565                 | 2,274                       | 373,253                 | 34,689                    | 559                     | (57,561)                                     | 2,846                     | 10,809                                | 6,440                         | 2,616                       | 468,986                   | 227,813  | 1,464,289 |
| <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                   | 275,150  | 1,530,528 |
| Profit for the period                            | -                       | -                           | -                       | -                         | -                       | -  | -                         | -                                     | -                             | -                           | 75,181                    | 2,420    | 77,601    |
| Other comprehensive income/(loss)                | -                       | -                           | -                       | -                         | -                       | 3,594  | -                         | -                                     | -                             | -                           | 3,594                     | (3,555)  | 39        |
| Total comprehensive income/(loss) for the period | 393,471                 | 2,069                       | 379,869                 | 34,688                    | 476                     | (82,136)                                     | 2,846                     | 16,224                                | 7,935                         | 2,616                       | 576,095                   | 274,015  | 1,608,168 |
| Dividends  | -                       | -                           | -                       | -                         | -                       | -  | -                         | -                                     | -                             | -                           | (29,944)                  | -        | (29,944)  |
| Share options vested under ESOS                  | -                       | -                           | -                       | -                         | -                       | -  | -                         | 5,044                                 | -                             | -                           | 5,044                     | -        | 5,044     |
| Arising from share options exercised             | 6,287                   | -                           | 17,706                  | -                         | -                       | -  | -                         | -                                     | -                             | -                           | -                         | -        | 23,993    |
| Arising from conversion of ICPS                  | 248                     | (248)                       | -                       | -                         | -                       | -  | -                         | -                                     | -                             | -                           | -                         | -        | -         |
| Arising from conversion of warrants              | 352                     | -                           | 1,578                   | -                         | -                       | -  | -                         | -                                     | -                             | -                           | 1,930                     | -        | 1,930     |
| Arising from issuance of warrants 2011/2016      | -                       | -                           | -                       | 53,343                    | -                       | -  | -                         | -                                     | -                             | -                           | 53,343                    | -        | 53,343    |
| Transfer within reserve for ESOS exercised       | -                       | -                           | 7,574                   | -                         | -                       | -  | -                         | (7,574)                               | -                             | -                           | -                         | -        | -         |
| Transfer within reserve for warrants exercised   | -                       | -                           | 235                     | (235)                     | -                       | -  | -                         | -                                     | -                             | -                           | -                         | -        | -         |
| At 30 June 2011                                  | 400,358                 | 1,821                       | 406,962                 | 87,796                    | 476                     | (82,136)                                     | 2,846                     | 13,694                                | 7,935                         | 2,616                       | 546,151                   | 274,015  | 1,662,534 |

(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 6 MONTHS ENDED 30 JUNE 2011**

|   | UNAUDITED<br>CUMULATIVE PERIOD<br>CURRENT YEAR<br>TO DATE<br>30.06.2011<br>RM'000 | CUMULATIVE PERIOD<br>PRECEDING YEAR<br>CORRESPONDING<br>30.06.2010<br>RM'000 |
|---|---|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |   |  |
| Profit before taxation  | 100,347   | 105,789  |
| Adjustments for:-   |   |  |
| Non-cash items  | (2,487)   | 65,026   |
| Non-operating items - financing   | 22,387  | 18,117   |
| Non-operating items - investing   | (10,443)  | (8)  |
| Operating profit before working capital changes                                     | <u>109,804</u>  | <u>188,924</u>   |
| Net changes in current assets   | 121,653   | 166,150  |
| Net changes in current liabilities  | (25,562)  | (307,582)  |
| Cash flows generated from operations  | <u>205,895</u>  | <u>47,492</u>  |
| Interest paid *   | (29,399)  | (22,214)   |
| Interest received   | 12,931  | 5,435  |
| Taxation paid   | (8,543)   | (1,351)  |
| Net cash generated from operating activities  | <u>180,884</u>  | <u>29,362</u>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |   |  |
| Property, plant and equipment   | 8,736   | (2,862)  |
| Intangible assets   | (961)   | -  |
| Refund of share application monies from associates                                  | 2,420   | -  |
| Withdrawal from redemption and FSRA accounts  | (14,941)  | (16,151)   |
| Net cash used in investing activities   | <u>(4,746)</u>  | <u>(19,013)</u>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |   |  |
| Proceed from share options exercised  | 23,993  | 4,067  |
| Proceed from conversion of warrants   | 1,930   | -  |
| Proceed from issuance of warrants   | 53,698  | -  |
| Incidental costs of issuance of warrants  | (171)   | -  |
| Dividend paid   | (29,944)  | (29,364)   |
| Bank borrowings   | (266,663)   | 107,703  |
| Net cash (used in)/generated from financing activities                              | <u>(217,157)</u>  | <u>82,406</u>  |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS<br>DURING THE FINANCIAL PERIOD | (41,019)  | 92,755   |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE<br>FINANCIAL PERIOD                   | 1,149,694   | 697,748  |
| Foreign exchange differences  | 4,047   | (33,601)   |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD **                         | <u>1,112,722</u>  | <u>756,902</u>   |

\* Included in interest paid is interest capitalised amounting to RM3,744,923.

\*\* Cash & cash equivalents excludes, fixed deposits with licensed bank amounting to RM770,000 and fixed deposits held under Finance Service Reserve Account amounting to RM18,994,443.

(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 SECOND  
QUARTER ENDED 30 JUNE 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 30 June 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 30 June 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 12,573,898 new ordinary shares of RM0.50 each pursuant to the exercise of the ESOS at the exercise price of RM0.61 to RM2.73 per ordinary share.
- (b) Issuance of 496,145 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 22,374 new ordinary shares of RM0.50 each pursuant to the conversion of Warrants 2008/2013 at an exercise price of RM2.50 per ordinary share for cash.
- (d) Issuance of 681,512 new ordinary shares of RM0.50 each pursuant to the conversion of Warrants 2011/2016 at an exercise price of RM2.75 per ordinary share for cash.

**A8 Dividends**

Please refer to Explanatory Note B13.

**A9 Segmental Information**

|   | CURRENT YEAR<br>TO DATE<br>(6 months period to<br>30.6.2011)<br>RM'000 | PRECEDING<br>YEAR TO DATE<br>(6 months' period<br>to 30.6.2010)<br>RM'000 |
|---|--|---|
| <b>Segment Revenue</b>                      |  |   |
| Civil engineering & construction            | 591,096  | 835,716   |
| Property development                        | 107,427  | 98,524  |
| Property investment & management            | 24,669   | 15,824  |
| Total revenue including intra-group revenue | 723,192  | 950,064   |
| Elimination of intra-group revenue          | (31,644)   | (36,379)  |
| Total revenue                               | 691,548  | 913,685   |
| <b>Segment profit from operation</b>        |  |   |
| Civil engineering & construction            | 84,934   | 86,756  |
| Property development                        | 29,574   | 28,958  |
| Property investment & management            | 18,007   | 16,795  |
|   | 132,515  | 132,509   |
| Elimination of intra-group profit           | (3,258)  | (5,320)   |
| Total profit from operation                 | 129,257  | 127,189   |

**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 11 August 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.
- (iii) On 14 July 2011, WCTL has acquired 2 ordinary shares of RM1.00 each at par representing the entire issued and paid-up share capital of Pioneer Acres Sdn. Bhd. ("PASB") for a total cash consideration of RM2.00. PASB, 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 August 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 RM972.484 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<br>Guarantees<br>RM'000 | Letters of Credit<br>RM'000 |
|-------------------------------------|------------------------------|-----------------------------|
| Balance as at 18 February 2011      | 1,030,928                    | 1,020                       |
| Extended/utilised during the period | 47,472                       | -                           |
| Discharged/paid during the period   | (105,916)                    | (963)                       |
| Balance as at 11 August 2011        | <u>972,484</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                                  | 42,100         |
| Capital expenditure approved but not contracted for investment                              | 74,242         |
| Capital expenditure approved and contracted for property, plant & equipment and development | 99,127         |
| Share of capital commitments of jointly controlled entities                                 | 37,871         |
|   | <u>253,340</u> |

**A15 Significant Related Party Transactions**

|  | RM'000     |
|--|------------|
| <u>The Group</u>                                     |            |
| Rental of property paid to a Director of the Company | <u>206</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 30 June 2011, WCT Group registered revenue of RM376 million as compared to RM514 million in the previous corresponding quarter. Profit after taxation and minority interest improved by RM4 million to RM38 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 RM376 million and RM38 million as compared to revenue and profit after taxation and minority interest of RM316 million and RM37 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<br>(3 months period<br>To 30.06.2011) | PRECEDING YEAR<br>CORRESPONDING<br>(3 months period<br>To 30.06.2010) | CURRENT YEAR<br>TO DATE<br>(6 months period<br>To 30.06.2011) | PRECEDING YEAR<br>CORRESPONDING<br>(6 months period<br>To 30.06.2010) |
|                      | RM'000   | RM'000  | RM'000  | RM'000  |
| Taxation comprises:- |  |   |   |   |
| Malaysia Tax         |  |   |   |   |
| - Current year       | 10,700   | 14,451  | 21,136  | 16,988  |
| - Prior years        | (729)  | 136   | (729)   | 136   |
| - Deferred taxation  | 1,519  | 2,723   | 2,339   | 13,529  |
|                      | <u>11,490</u>  | <u>17,310</u>   | <u>22,746</u>   | <u>30,653</u>   |

**B5 Taxation (Cont'd)**

The effective tax rate for the current quarter and cumulative quarter ended 30 June 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 corresponding quarter and cumulative period ended 30 June 2010 is higher than the statutory tax rate mainly due to certain expenses not deductible for tax purposes.

**B6 Profit On Sales Of Unquoted Investments And/Or Properties**

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

**B7 Quoted Securities**

- (a) The Group did not transact any quoted securities for the quarter under review.
- (b) As at 30 June 2011, the Group did not hold any quoted securities.

**B8 Status Of Corporate Proposals Announced**

The Group did not announce any corporate proposal which has not been completed as at 11 August 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**

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits, pursuant to the directive issued by Bursa Malaysia Securities on 25 March 2010 is as follows:

|  | As at<br>30.6.2011<br>RM'000 | As at<br>31.3.2011<br>RM'000 |
|--|------------------------------|------------------------------|
| Total retained profits of the Company and its subsidiaries:-       |                              |                              |
| - Realised   | 1,089,911                    | 1,086,185                    |
| - Unrealised   | (4,661)                      | (7,359)                      |
|  | <u>1,085,250</u>             | <u>1,078,826</u>             |
| Total share of retained profits from associated companies:-        |                              |                              |
| - Realised   | 58,105                       | 54,899                       |
| - Unrealised   | (972)                        | (1,224)                      |
|  | <u>57,133</u>                | <u>53,675</u>                |
| Total share of retained profits from jointly controlled entities:- |                              |                              |
| - Realised   | (28,777)                     | (151,077)                    |
| - Unrealised   | (882)                        | (1,224)                      |
|  | <u>(29,659)</u>              | <u>(152,301)</u>             |
| Less : Consolidation adjustment                                    | <u>(566,573)</u>             | <u>(441,894)</u>             |
| Total Group retained profits as per consolidated accounts          | <u>546,151</u>               | <u>538,306</u>               |

**B10 Group Borrowings And Debt Securities**

Details of group borrowings are as follows:-

|                                   | As at<br>30.6.2011<br>RM'000 | As at<br>31.12.2010<br>RM'000 |
|-----------------------------------|------------------------------|-------------------------------|
| <b>Long Term Bank Borrowings</b>  |                              |                               |
| <u>Secured:-</u>                  |                              |                               |
| Long Term Loan                    | 320,407                      | 240,244                       |
| Hire Purchase Creditors           | 5,827                        | 11,565                        |
|                                   | <u>326,234</u>               | <u>251,809</u>                |
| <u>Unsecured:-</u>                |                              |                               |
| BAIDS                             | -                            | 40,000                        |
| ICP/IMTN                          | 100,000                      | 100,000                       |
| SUKUK                             | 94,703                       | 189,622                       |
| BONDS                             | 552,297                      | 545,991                       |
|                                   | <u>747,000</u>               | <u>875,613</u>                |
|                                   | <u>1,073,234</u>             | <u>1,127,422</u>              |
| <br>                              |                              |                               |
| <b>Short Term Bank Borrowings</b> |                              |                               |
| <u>Secured :-</u>                 |                              |                               |
| Hire Purchase Creditors           | 13,089                       | 13,523                        |
| Revolving Credit                  | 70,000                       | 70,000                        |
| Term Loans                        | 8,567                        | 66,453                        |
|                                   | <u>91,656</u>                | <u>149,976</u>                |
| <u>Unsecured :-</u>               |                              |                               |
| Bank Overdraft                    | 8,394                        | 7,886                         |
| Banker Acceptance                 | 36,328                       | 18,236                        |
| BAIDS                             | 70,000                       | 30,000                        |
| ICP/IMTN                          | -                            | 200,000                       |
| SUKUK                             | 97,801                       | 99,341                        |
|                                   | <u>212,523</u>               | <u>355,463</u>                |
|                                   | <u>304,179</u>               | <u>505,439</u>                |
|                                   | <u>1,377,413</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 11 August 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 11 August 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<br>Year Ending<br>31 Dec 2011 | PAID in<br>Year Ended<br>31 Dec 2010 |
|--|---------------------------------------|--------------------------------------|
|  | RM'000                                | RM'000                               |
| <u>Final dividend paid</u><br>For the financial year ended 31 December 2009<br>5.0 sen per ordinary share of RM0.50 each less<br>25% tax   | -                                     | 29,364                               |
| <u>Dividend paid</u><br>For the period from 7 August 2009 to 6 August<br>2010<br>13.5% per ICPS of RM0.10 each                             | -                                     | 307                                  |
| <u>Interim dividend paid</u><br>For the financial year ended 31 December 2010<br>5.0 sen per ordinary share of RM0.50 each less<br>25% tax | -                                     | 29,400                               |
| <u>Final dividend paid</u><br>For the financial year ended 31 December 2010<br>5.0 sen per ordinary share of RM0.50 each less<br>25% tax   | 29,944                                | -                                    |
| <b>Total net dividend paid</b>   | <b>29,944</b>                         | <b>59,071</b>                        |

On 16 August 2011, the Directors declared an interim dividend of 5 sen per share less 25% tax on ordinary shares of RM0.50 each.

The entitlement date for the interim dividend is fixed on 6 September 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 6 September 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 interim dividend will be payable on 19 September 2011.

**B14 Earnings Per Share**

|  | <b>Reporting<br/>Quarter<br/>30.6.2011</b> | <b>Current Year<br/>To Date<br/>30.6.2011</b> |
|--|--|---|
| <b>(a) Basic Earnings Per Share</b>  |  |   |
| Profit attributable to the equity holders of the parent (RM'000)                 | 37,789                                     | 75,181  |
| Weighted average number of ordinary shares in issue ('000)                       | 802,062                                    | 798,139                                       |
| Basic earnings per share (sen)   | 4.71                                       | 9.42  |
| <b>(b) Fully Diluted Earnings Per Share</b>                                      |  |   |
| Profit attributable to the equity holders of the parent (RM'000)                 | 37,789                                     | 75,181  |
| Weighted average number of ordinary shares in issue ('000)                       | 802,062                                    | 798,139                                       |
| Effects of dilution:   |  |   |
| Shares options ('000)  | 10,582                                     | 12,113  |
| Warrants ('000)  | 46,219                                     | 46,238  |
| Adjusted weighted average number of ordinary shares in issue and issuable ('000) | 858,863                                    | 856,490                                       |
| Fully diluted earnings per share (sen)   | 4.40                                       | 8.78  |

**B15 Comparative Figures**

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

Date: 16<sup>th</sup> August 2011