



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

**Date : 23 February 2012**

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL  
YEAR ENDED 31 DECEMBER 2011**

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

**INTERIM FINANCIAL REPORT ON CONSOLIDATED INCOME STATEMENT FOR THE FOURTH QUARTER ENDED  
31 DECEMBER 2011**

( The figures have not been audited )

**CONSOLIDATED INCOME STATEMENT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

	INDIVIDUAL QUARTER (RESTATED)		CUMULATIVE PERIOD (RESTATED)	
	CURRENT YEAR QUARTER (3 months to 31.12.2011) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 31.12.2010) RM'000	CURRENT YEAR TO DATE (12 months to 31.12.2011) RM'000	PRECEDING YEAR CORRESPONDING (12 months to 31.12.2010) RM'000
Revenue	485,065	437,674	1,538,589	1,708,501
Cost of sales	(428,267)	(329,423)	(1,241,613)	(1,378,637)
<b>Gross profit</b>	<b>56,798</b>	<b>108,251</b>	<b>296,976</b>	<b>329,864</b>
Other income	44,699	26,456	69,449	61,625
Other expenses	(13,919)	(10,364)	(34,927)	(22,009)
Administrative expenses	(22,778)	(22,389)	(74,049)	(69,342)
Finance costs	(15,306)	(14,067)	(66,661)	(50,360)
Share of profit after tax of associates	4,693	6,430	16,750	16,993
	54,187	94,317	207,538	266,771
Income tax expense	(9,835)	(11,469)	(44,609)	(47,949)
<b>Profit for the period</b>	<b>44,352</b>	<b>82,848</b>	<b>162,929</b>	<b>218,822</b>
Attributable to:				
Equity holders of the parent	47,944	44,184	162,423	150,331
Minority interest	(3,592)	38,664	506	68,491
<b>Profit for the period</b>	<b>44,352</b>	<b>82,848</b>	<b>162,929</b>	<b>218,822</b>
Attributable to equity holders of the parent :				
Basic earnings per share (sen)	5.94	5.59	20.23	19.08
Fully diluted earnings per share (sen)	5.76	5.54	19.59	18.91

(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 FOURTH QUARTER ENDED 31 DECEMBER 2011**  
( The figures have not been audited )

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

	INDIVIDUAL QUARTER (RESTATED)		CUMULATIVE PERIOD (RESTATED)	
	CURRENT YEAR QUARTER (3 months to 31.12.2011) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 31.12.2010) RM'000	CURRENT YEAR TO DATE (12 months to 31.12.2011) RM'000	PRECEDING YEAR CORRESPONDING (12 months to 31.12.2010) RM'000
Profit for the period	44,352	82,848	162,929	218,822
Other comprehensive income/(loss):				
Currency translation differences arising from consolidation	(31,822)	(2,772)	3,231	(86,845)
Revaluation increase of freehold land and building	22,154	1,525	22,154	1,525
Transfer from general reserve in respect of a foreign entity	-	-	(1,178)	-
Other comprehensive income/(loss) for the period, net of tax	(9,668)	(1,247)	24,207	(85,320)
Total comprehensive income/(loss) for the period	34,684	81,601	187,136	133,502
Total comprehensive income/(loss) for the period attributable to :				
Equity holders of the parent	40,267	45,923	179,700	91,364
Minority interest	(5,583)	35,678	7,436	42,138
	34,684	81,601	187,136	133,502

(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 DECEMBER 2011**

	AS AT CURRENT QUARTER 31.12.2011	(RESTATED) 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	277,070	292,163
Land held for property development	260,463	220,761
Investment properties	814,023	614,266
Concession assets	129,732	-
Investment in associates	159,529	176,966
Other investments	9,750	9,804
Trade receivables	1 380,415	389,324
Other receivables	1 261,609	233,966
Deferred tax assets	21,952	7,219
	<u>2,314,543</u>	<u>1,944,469</u>
<b><u>Current assets</u></b>		
Property development costs	295,539	228,783
Inventories	51,432	74,393
Trade receivables	612,063	854,594
Other receivables	479,941	284,615
Due from related parties	1,012	4,223
Cash and cash equivalents	803,959	1,162,407
	<u>2,243,946</u>	<u>2,609,015</u>
<b>TOTAL ASSETS</b>	<u>4,558,489</u>	<u>4,553,484</u>
<b>EQUITY AND LIABILITIES</b>		
<b><u>Equity attributable to equity holders of the parent</u></b>		
Share capital	402,604	393,471
Irredeemable Convertible Preference Shares ("ICPS")	1,176	2,069
Share premium	414,206	379,869
Reserves	653,840	480,969
	<u>1,471,826</u>	<u>1,256,378</u>
<b>Minority interests</b>	<u>282,586</u>	<u>275,150</u>
<b>Total equity</b>	<u>1,754,412</u>	<u>1,531,528</u>

**WCT BERHAD**

(Company Number : 66538-K)

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

	AS AT CURRENT QUARTER 31.12.2011	(RESTATED) AS AT 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 94,921	105,176
Other payables	2 336,109	226,541
Borrowings	917,737	1,127,422
Deferred tax liabilities	45,142	25,384
	<u>1,393,909</u>	<u>1,484,523</u>
<b><u>Current liabilities</u></b>		
Trade payables	540,957	802,505
Other payables	396,432	228,353
Due to related parties	-	-
Borrowings	466,061	505,439
Tax payable	6,718	1,136
	<u>1,410,168</u>	<u>1,537,433</u>
<b>Total Liabilities</b>	<u>2,804,077</u>	<u>3,021,956</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>4,558,489</u>	<u>4,553,484</u>
Net asset per share (RM)	1.83	1.60

(1) Included receivables of RM265 million in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecourse project.

(2) Included payables of RM265 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 12 MONTHS ENDED 31 DECEMBER 2011

	Attributable to Equity Holders of the Parent			Distributable			Minority interest	Total equity				
	Non-Distributable			Retained profit								
	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											(43,357)	(43,357)
- effect of adopting FRs 139											(8,177)	(8,177)
- effect of adopting IC Interpretation 12											410,595	1,202,430
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	150,331	1,435,442
Profit for the period	-	-	-	-	-	(60,492)	-	-	1,525	-	-	68,491
Other comprehensive income/(loss)	-	-	-	-	-	(85,730)	-	-	-	-	-	(85,320)
Total comprehensive income for the period	388,856	3,718	369,256	34,689	535	(85,730)	2,846	8,117	7,965	2,616	560,926	1,293,794
Dividends	-	-	-	-	-	-	-	-	-	-	(59,071)	(59,071)
Share options vested under ESOS	-	-	-	-	-	-	-	10,959	-	-	-	10,959
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	-	4	-	-	-	-	-	-	-	-	5
Transfer within reserve for ESOS exercised	-	-	2,852	-	-	-	-	(2,852)	-	-	-	-
Transfer within reserve for warrants exercised	-	-	1	(1)	-	-	-	-	-	-	-	-
Transfer to within reserve	-	-	-	-	(59)	-	-	-	(30)	-	59	(30)
At 31 December 2010	393,471	2,069	379,869	34,688	476	(85,730)	2,846	16,224	7,935	2,616	501,914	1,256,378
<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
- as previously stated											1,000	1,000
- effect of adopting IC Interpretation 12											-	-
Profit for the period	-	2,069	379,869	34,688	476	(85,730)	2,846	16,224	7,935	2,616	501,914	1,256,378
Other comprehensive income/(loss)	-	-	-	-	-	(4,574)	-	-	25,029	(1,178)	-	17,277
Total comprehensive income/(loss) for the period	393,471	2,069	379,869	34,688	476	(90,304)	2,846	16,224	30,964	1,438	664,337	1,436,078
Dividends	-	-	-	-	-	-	-	-	-	-	(60,354)	(60,354)
Share options vested under ESOS	-	-	-	-	-	-	-	10,090	-	-	-	10,090
Arising from share options exercised	7,867	-	22,756	-	-	-	-	-	-	-	-	30,623
Arising from conversion of ICPS	893	(893)	-	-	-	-	-	-	-	-	-	-
Arising from conversion of warrants	373	-	1,673	-	-	-	-	-	-	-	-	2,046
Arising from issuance of warrants 2011/2016	-	-	9,659	53,343	-	-	-	-	-	-	-	53,343
Transfer within reserve for ESOS exercised	-	-	249	(249)	-	-	-	(9,659)	-	-	-	-
Transfer within reserve for warrants exercised	-	-	-	-	-	-	-	-	-	-	-	-
At 31 December 2011	402,604	1,176	414,206	87,782	476	(90,304)	2,846	16,655	30,964	1,438	603,983	1,471,826

(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 STATEMENT OF CASH FLOWS FOR THE 12 MONTHS ENDED 31 DECEMBER 2011**

	UNAUDITED CUMULATIVE PERIOD CURRENT YEAR TO DATE 31.12.2011 RM'000	RESTATED CUMULATIVE PERIOD PRECEDING YEAR CORRESPONDING 31.12.2010 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	207,538	266,771
Adjustments for:-		
Non-cash items	(4,317)	33,871
Non-operating items - financing	44,152	40,004
Non-operating items - investing	(28,403)	(46,578)
Operating profit before working capital changes	<u>218,970</u>	<u>294,068</u>
Net changes in current assets	3,129	363,182
Net changes in current liabilities	(3,287)	(610,868)
Cash flows generated from operations	<u>218,812</u>	<u>46,382</u>
Interest paid *	(62,462)	(41,794)
Interest received	22,509	10,356
Taxation paid	(32,769)	(13,827)
Net cash generated from operating activities	<u>146,090</u>	<u>1,117</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment	5,995	(3,451)
Investment properties	(166,599)	(51,550)
Concession assets	(129,732)	-
Refund of share application monies from associates	17,279	-
Withdrawal from redemption and FSRA accounts	137	(208)
Net cash used in investing activities	<u>(272,920)</u>	<u>(55,209)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceed from share options exercised	30,623	10,721
Proceed from conversion of warrants	2,046	5
Proceed from issuance of warrants	53,698	-
Incidental costs of issuance of warrants/bonds	(171)	(1,849)
Dividend paid	(60,354)	(59,071)
Bank borrowings	(278,219)	612,474
Net cash (used in)/generated from financing activities	<u>(252,377)</u>	<u>562,280</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	(379,207)	508,188
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	1,149,694	696,978
Foreign exchange differences	18,148	(55,472)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD **	<u>788,635</u>	<u>1,149,694</u>

\* Included in interest paid is interest capitalised amounting to RM14,656,503.

\*\* Cash & cash equivalents excludes fixed deposits with licensed bank amounting to RM770,000 and fixed deposits held under Finance Service Reserve Account amounting to RM3,917,048.

(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 FOURTH QUARTER  
ENDED 31 DECEMBER 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 Arrangements
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
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS138	Intangible Assets
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 except for the IC Interpretation 12 discussed below:

#### IC Interpretation 12 : Service Concession Arrangements

The new IC Interpretation 12 applies to service concession operators and explains how to account for the obligations undertaken and rights received in service concession arrangements. Consideration given by the grantor to the operator may be rights to a financial asset or an intangible asset. The operator shall recognize a financial asset model to the extent that it has unconditional right to receive cash or another financial asset from or at the discretion of the grantor for the construction services. The operator shall recognize an intangible asset to the extent that it receives a right (a licence) to charge users of the public service.

For financial asset model, the amount due from grantor is accounted as receivable under FRS 139, and requires interest calculated using the effective interest method to be recognized in profit or loss. Intangible asset with a finite useful life shall be amortized on a systematic basis over its useful life.

Where the operator has contractual obligations to maintain and restore infrastructure that it must fulfill as a condition of its licence, these obligations are recognized and measured at the best estimate of the expenditure that would be required to settle the present obligation at the end of the reporting period.

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

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

**IC Interpretation 12 : Service Concession Arrangements (Cont'd)**

Pursuant to IC Interpretation 12, the Group has applied the Interpretation retrospectively, and the following are the effects arising from the above changes in accounting policies:

	As previously Stated RM'000	Effects of Adopting IC Interpretation 12 RM'000	As Restated RM'000
<b><u>As at 31 December 2010</u></b>			
<b>Consolidated Statement of Financial Position</b>			
Investment in associates	175,966	1,000	176,966
Retained profits as at 1 January 2010	418,772	(8,177)	410,595
<b><u>For 3 months ended 31 December 2010</u></b>			
<b>Consolidated Income Statement</b>			
Share of profit after tax of associates	4,136	2,294	6,430
<b><u>For 12 months ended 31 December 2010</u></b>			
<b>Consolidated Income Statement</b>			
Share of profit after tax of associates	7,816	9,177	16,993

**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 December 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 December 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 15,734,960 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 1,785,525 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 723,432 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 B11.

**A9 Segmental Information**

	Civil engineering and construction RM'000	Property development RM'000	Property investment RM'000	Unallocated RM'000	Eliminations RM'000	Consolidated RM'000
<b>12 months period ended 31 December 2011</b>						
<b>Revenue</b>						
External	1,206,814	279,464	52,311	-	-	1,538,589
Intra segment	261,343	-	-	-	(261,343)	-
	<u>1,468,157</u>	<u>279,464</u>	<u>52,311</u>	<u>-</u>	<u>(261,343)</u>	<u>1,538,589</u>
<b>Segment results</b>						
Profit from operations	163,500	54,933	39,016	-	-	257,449
Finance costs	-	-	-	-	-	(66,661)
Share of profits of associates	-	-	-	16,750	-	16,750
Taxation	-	-	-	-	-	(44,609)
Profit for the period						<u>162,929</u>
Profit attributable to :-						
Equity holders of the parent						162,423
Minority interests						<u>506</u>
						<u>162,929</u>
<b>12 months period ended 31 December 2010</b>						
<b>Revenue</b>						
External	1,442,860	231,045	34,596	-	-	1,708,501
Intra segment	133,727	3,320	-	-	(137,047)	-
	<u>1,576,587</u>	<u>234,365</u>	<u>34,596</u>	<u>-</u>	<u>(137,047)</u>	<u>1,708,501</u>
<b>Segment results</b>						
Profit from operations	195,410	42,003	62,725	-	-	300,138
Finance costs	-	-	-	-	-	(50,360)
Share of profits of associates	-	-	-	16,993	-	16,993
Taxation	-	-	-	-	-	(47,949)
Profit for the period						<u>218,822</u>
Profit attributable to :-						
Equity holders of the parent						150,331
Minority interests						<u>68,491</u>
						<u>218,822</u>

**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 RM37.29 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 2010.

**A11 Subsequent Material Events**

There were no material events subsequent to the reporting period up to 17 February 2012 (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.
- (iv) On 25 August 2011, WCTL has acquired 2 ordinary shares of RM1.00 each at par representing the entire issued and paid-up share capital of WCT Acres Sdn. Bhd. ("WCTASB") for a total cash consideration of RM2.00. WCTASB, 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.

**A12 Effect Of Changes In The Composition Of The Group (Cont'd)**

- (v) On 5 September 2011, WCT Management (Beijing) Limited ("WCT Beijing"), a wholly foreign owned enterprise in Beijing, China has been incorporated, following the issuance of the Business License by the Beijing Administration of Industry & Commerce on 26 August 2011 which was received on 5 September 2011. The Registered Capital of WCT Beijing is RMB4,000,000 (approximately RM1.9 million) and is a wholly owned subsidiary of WCTL.
- (vi) Segi Astana Sdn. Bhd. ("SASB") is a wholly-owned subsidiary of WCTL and was incorporated on 1 October 2010 in Malaysia, has an authorised share capital of RM100,000 and an issued and paid-up share capital of RM2.00. As at 30 September 2011, SASB is jointly owned by WCTL and Malaysia Airports Holdings Berhad, with respective shareholdings of 70% and 30%. The issued and paid up capital of SASB is RM1,000 divided into 1,000 ordinary shares of RM1.00 each.
- (vii) On 10 October 2011, WCTL has acquired 2 ordinary shares of RM1.00 each at par representing the entire issued and paid-up share capital of Jubilant Courtyard Sdn. Bhd. ("JCSB") for a total cash consideration of RM2.00. JCSB, 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.
- (viii) On 14 November 2011, WCTL has acquired 2 ordinary shares of RM1.00 each at par representing the entire issued and paid-up share capital of WCT Hartanah Jaya Sdn. Bhd. ("WCTH") for a total cash consideration of RM2.00. WCTH, 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.
- (ix) Concurrent with the issuance and award of the Investment Certificate to the Company's wholly-owned subsidiary, WCT (S) Pte. Ltd. on 24 December 2011, the People's Committee of HCMC has also approved the establishment of a limited liability company namely, WCT-DPN Company Limited ("WCT-DPN"), a 70%-owned subsidiary of the Company. The remaining 30% equity of WCT-DPN will be held by Southern Land Corporation ("SLC"), a joint stock company duly established and existing under the Laws of Socialist Republic of Vietnam on 26 March 2001. WCT-DPN's initial chartered capital is USD25,151,580.00. Its principal business activity is the development and management of the Project.

### A13 Contingent Liabilities

Contingent liabilities of the Group as at 17 February 2012 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) comprised bank guarantees totaling RM924 million 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	222,145	-
Discharged/paid during the period	(329,568)	(1,020)
	<hr/>	<hr/>
Balance as at 17 February 2012	923,505	-

(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	135,252
Capital expenditure approved and contracted for property, plant & equipment and development	102,730
Share of capital commitments of jointly controlled entities	37,871
	<hr/>
	275,853

### A15 Significant Related Party Transactions

	RM'000
<u>The Group</u>	
Rental of property paid to a Director of the Company	<hr/> 440

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

**B1 Review of performance**

For current financial year ended 31 December 2011, the Group registered revenue of RM1,539 million as compared to RM1,709 million recorded in the preceding financial year. The Group's profit after taxation and minority interest of RM162 million is 8% higher than that of RM150 million reported in the preceding financial year.

For the financial year under review, civil engineering & construction segment recorded revenue and operational profit of RM1,207 million (2010:RM1,443 million) and RM164 million (2010:RM195 million) respectively. The decrease in revenue and operational profit from civil engineering & construction segment is attributable to lower contribution from our Middle East division.

Property development and investment segment registered revenue and operational profit of RM332 million (2010:RM266 million) and RM94 million (2010:RM105 million) respectively. The increase in revenue are due to higher sales recorded from new property launches. Lower operational profit is due to decrease in revaluation surplus from investment property which amounting to RM14 million (2010: RM47 million).

For the current quarter under review, the Group's revenue of RM485 million is 11% higher than the preceding year corresponding quarter. In line with the higher revenue, net profit attributable to the Group has improved by approximately RM4 million.

Basic earning per share for current financial year improved by 6% to 20.23 sen as compared to 19.08 sen reported in the preceeding financial year.

*Note: Performance for current financial year before restatement of the effect of IC Interpretation 12*

i) Profit after tax and minority interest

*The Group's net profit after tax and minority interest of RM162 million is 15% higher than that of RM141 million reported in the preceding financial year.*

ii) Basic Earning per share

*Basic earning per share improved by 13% to 20.23 sen as compared to 17.91 sen reported in the preceeding financial year.*

**B2 Comparison With Immediate Preceding Quarter's Results**

For the current quarter under review, the Group recorded revenue and profit after tax and minority interest of RM485 million and RM48 million as compared to RM362 million and RM39 million reported in the immediate preceding quarter. Revenue and profit after tax and minority interest improved as a result of better performance from all segments.



**B3 Profit for the period**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months period To 31.12.2011) RM'000	PRECEDING YEAR CORRESPONDING (3 months period To 31.12.2010) RM'000	CURRENT YEAR TO DATE (12 months period To 31.12.2011) RM'000	PRECEDING YEAR CORRESPONDING (12 months period To 31.12.2010) RM'000
Profit for the period is arrived at after crediting /(charging):				
Interest income	4,612	2,078	22,509	10,356
Interest expense	(15,306)	(14,067)	(66,661)	(50,360)
Depreciation and amortisation	(2,086)	(6,131)	(9,104)	(16,329)
Bad debts written off	-	-	(114)	-
Provision for doubtful debts	(4,844)	(177)	(4,844)	(228)
(Loss)/Gain on disposal of property, plant and equipment	(3,337)	(2,137)	811	110
Gain on disposal of investment properties	495	-	495	300
Gain on disposal of stock properties	727	-	1,452	-
Write down in value of properties stock	-	(903)	-	(903)
Gain/(loss) on foreign exchange	24,093	(4,009)	5,410	(32,209)

**B4 Prospect For Financial Year 2012**

With the current economic outlook and the launch of Economic Transformation Programme by the Malaysian government, the Group is confident to achieve satisfactory results for the financial year 2012.

**B5 Variance Of Actual Profit From Forecast Profit**

Not applicable to the Group.

**B6 Taxation**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months period To 31.12.2011)	PRECEDING YEAR CORRESPONDING (3 months period To 31.12.2010)	CURRENT YEAR TO DATE (12 months period To 31.12.2011)	PRECEDING YEAR CORRESPONDING (12 months period To 31.12.2010)
	RM'000	RM'000	RM'000	RM'000
Taxation comprises:-				
Malaysia Tax				
- Current year	8,574	(2,166)	37,992	19,599
- Prior years	2,304	(130)	1,592	126
- Deferred taxation	(1,043)	13,765	5,025	28,224
	<u>9,835</u>	<u>11,469</u>	<u>44,609</u>	<u>47,949</u>

The effective tax rate for the current quarter and cumulative period ended 31 December 2011 is lower than the statutory tax rate mainly due to certain income which is not subjected to income tax.

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

**B7 Status of Corporate Proposals Announced**

The Group did not announce any corporate proposal which has not been completed as at 17 February 2012 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

**B8 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 31.12.2011 RM'000	As at 31.12.2010 RM'000
Total retained profits of the Company and it's subsidiaries:-		
- Realised	1,123,479	1,054,426
- Unrealised	28,468	(17,991)
	<u>1,151,947</u>	<u>1,036,435</u>
Total share of retained profits from associated companies:-		
- Realised	68,832	52,970
- Unrealised	(359)	(1,245)
	<u>68,473</u>	<u>51,725</u>
Total share of retained profits from jointly controlled entities:-		
- Realised	(53,657)	(150,254)
- Unrealised	(1,564)	(1,546)
	<u>(55,221)</u>	<u>(151,800)</u>
Less : Consolidation adjustment	<u>(561,216)</u>	<u>(434,446)</u>
Total Group retained profits as per consolidated accounts	<u>603,983</u>	<u>501,914</u>

**B9 Group Borrowings And Debt Securities**

Details of group borrowings are as follows:-

	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000
<b>Long Term Bank Borrowings</b>		
<u>Secured:-</u>		
Long Term Loan	158,363	240,244
Hire Purchase Creditors	4,687	11,565
	163,050	251,809
<u>Unsecured:-</u>		
BAIDS	-	40,000
ICP/IMTN	100,000	100,000
SUKUK	96,194	189,622
BONDS	558,493	545,991
	754,687	875,613
	917,737	1,127,422
<b>Short Term Bank Borrowings</b>		
<u>Secured :-</u>		
Hire Purchase Creditors	13,577	13,523
Revolving Credit	70,000	70,000
Term Loans	208,149	66,453
	291,726	149,976
<u>Unsecured :-</u>		
Bank Overdraft	10,636	7,886
Banker Acceptance	24,394	18,236
BAIDS	40,000	30,000
ICP/IMTN	-	200,000
SUKUK	99,305	99,341
	174,335	355,463
	466,061	505,439
	1,383,798	1,632,861

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

## **B10 Material Litigation**

Except as disclosed below, the Group was not engaged in any material litigation from 31 December 2010 (the date of the last annual statement of financial position) to 17 February 2012 (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 evidentiary hearing has now been concluded and is now pending the issuance of the Tribunal’s decision and award.

**B11 Dividends**

	PAID in Year Ended 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
<u>Final dividend paid</u> For the financial year ended 31 December 2010 5.0 sen per ordinary share of RM0.50 each less 25% tax	29,945	-
<u>Dividend paid</u> For the period from 7 August 2010 to 6 August 2011 13.5% per ICPS of RM0.10 each	246	-
<u>Interim dividend paid</u> For the financial year ended 31 December 2011 5.0 sen per ordinary share of RM0.50 each less 25% tax	30,163	-
<b>Total net dividend paid</b>	<b>60,354</b>	<b>59,071</b>

Subject to the shareholders' approval at the forthcoming Annual General Meeting, a final dividend of 3.0 sen per ordinary share less 25% tax on ordinary shares of RM0.50 each and a final tax exempt dividend of 1.5 sen per ordinary share for the financial year ended 31 December 2011 have been recommended. The total net final dividend as recommended will be 3.75 sen per ordinary share of RM0.50 each (2010: total net final dividend of 3.75 sen per ordinary share of RM0.50 each).

**B12 Earnings Per Share**

	<b>Reporting Quarter 31.12.2011</b>	<b>Current Year To Date 31.12.2011</b>
<b>(a) Basic Earnings Per Share</b>		
Profit attributable to the equity holders of the parent (RM'000)	47,944	162,423
Weighted average number of ordinary shares in issue ('000)	807,484	802,692
Basic earnings per share (sen)	5.94	20.23
<b>(b) Fully Diluted Earnings Per Share</b>		
Profit attributable to the equity holders of the parent (RM'000)	47,944	162,423
Weighted average number of ordinary shares in issue ('000)	807,484	802,692
Effects of dilution:		
Shares options ('000)	5,896	7,424
Warrants ('000)	18,854	18,857
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	832,234	828,973
Fully diluted earnings per share (sen)	5.76	19.59

**B13 Comparative Figures**

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

Date: 23<sup>rd</sup> February 2012