



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

Date : 22 May 2012

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL
PERIOD ENDED 31 MARCH 2012**

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WCT BERHAD
(Company Number : 66538-K)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED INCOME STATEMENT FOR THE FIRST QUARTER ENDED
31 MARCH 2012**

(The figures have not been audited)

CONSOLIDATED INCOME STATEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 31.03.2012) RM'000	RESTATED PRECEDING YEAR CORRESPONDING (3 months to 31.03.2011) RM'000	CURRENT YEAR TO DATE (3 months to 31.03.2012) RM'000	RESTATED PRECEDING YEAR CORRESPONDING (3 months to 31.03.2011) RM'000
Revenue	341,570	315,614	341,570	315,614
Cost of sales	(263,383)	(247,381)	(263,383)	(247,381)
Gross profit	78,187	68,233	78,187	68,233
Other income	4,189	15,844	4,189	15,844
Other expenses	(4,319)	(2,289)	(4,319)	(2,289)
Administrative expenses	(15,862)	(16,482)	(15,862)	(16,482)
Finance costs	(15,396)	(18,709)	(15,396)	(18,709)
Share of profit after tax of associates	4,052	2,950	4,052	2,950
Share of profit after tax of jointly controlled entities	755	1	755	1
	51,606	49,548	51,606	49,548
Income tax expense	(11,827)	(11,256)	(11,827)	(11,256)
Profit for the period	39,779	38,292	39,779	38,292
Attributable to:				
Equity holders of the Company	40,034	37,392	40,034	37,392
Non-controlling interest	(255)	900	(255)	900
Profit for the period	39,779	38,292	39,779	38,292
Attributable to equity holders of the Company :				
Basic earnings per share (sen)	4.92	4.71	4.92	4.71
Fully diluted earnings per share (sen)	4.91	4.35	4.91	4.35

(The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 2012

(The figures have not been audited)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2012

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 31.03.2012) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 31.03.2011) RM'000	CURRENT YEAR TO DATE (3 months to 31.03.2012) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 31.03.2011) RM'000
Profit for the period	39,779	38,292	39,779	38,292
Other comprehensive income/(loss):				
Currency translation differences arising from consolidation	(27,006)	(12,540)	(27,006)	(12,540)
Revaluation increase of freehold land and building	-	-	-	-
Transfer from general reserve in respect of a foreign entity	-	-	-	-
Other comprehensive income/(loss) for the period, net of tax	(27,006)	(12,540)	(27,006)	(12,540)
Total comprehensive income/(loss) for the period	12,773	25,752	12,773	25,752
Total comprehensive income/(loss) for the period attributable to :				
Equity holders of the Company	22,350	29,658	22,350	29,658
Non-controlling interest	(9,577)	(3,906)	(9,577)	(3,906)
	12,773	25,752	12,773	25,752

(The consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 2012

	AS AT CURRENT QUARTER 31.03.2012	(RESTATED) AS AT FINANCIAL YEAR ENDED 31.12.2011
	UNAUDITED RM'000	AUDITED RM'000
ASSETS		
<u>Non-current assets</u>		
Property, plant and equipment	264,618	270,250
Land held for property development	261,690	266,438
Investment properties	826,557	814,023
Investment in associates	166,778	159,529
Investment in jointly controlled entities	2,336	1,581
Other investments	9,750	9,750
Trade receivables	1 369,330	374,640
Other receivables	1 272,513	261,585
Deferred tax assets	19,076	23,624
	<u>2,192,648</u>	<u>2,181,420</u>
<u>Current assets</u>		
Property development costs	300,416	289,564
Inventories	51,301	51,431
Trade receivables	542,587	634,061
Other receivables	581,468	622,060
Due from related parties	977	1,012
Cash and cash equivalents	766,461	790,002
	<u>2,243,210</u>	<u>2,388,130</u>
TOTAL ASSETS	<u>4,435,858</u>	<u>4,569,550</u>
EQUITY AND LIABILITIES		
<u>Equity attributable to equity</u>		
<u>holders of the Company</u>		
Share capital	408,674	402,604
Irredeemable Convertible Preference Shares ("ICPS")	1,124	1,176
Share premium	439,774	414,206
Reserves	676,308	658,791
	<u>1,525,880</u>	<u>1,476,777</u>
Non-controlling interest	273,009	282,586
Total equity	<u>1,798,889</u>	<u>1,759,363</u>

WCT BERHAD

(Company Number : 66538-K)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012 (Cont'd)

		AS AT CURRENT QUARTER 31.03.2012	(RESTATED) AS AT FINANCIAL YEAR ENDED 31.12.2011
		UNAUDITED RM'000	AUDITED RM'000
EQUITY AND LIABILITIES (Cont'd)			
<u>Long-term liabilities</u>			
Trade payables	2	100,433	89,732
Other payables	2	475,122	336,109
Borrowings		823,966	917,740
Deferred tax liabilities		36,736	35,042
		1,436,257	1,378,623
<u>Current liabilities</u>			
Trade payables		499,241	562,346
Other payables		210,634	396,441
Due to related parties		-	-
Borrowings		485,219	466,059
Tax payable		5,618	6,718
		1,200,712	1,431,564
Total Liabilities		2,636,969	2,810,187
TOTAL EQUITY AND LIABILITIES		4,435,858	4,569,550
Net asset per share (RM)		1.87	1.83

(1) Included receivables of RM256 million in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecourse project.

(2) Included payables of RM256 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 2011 and the accompanying explanatory notes attached to the interim financial statements.)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 3 MONTHS ENDED 31 MARCH 2012

	Attributable to Equity Holders of the Company										Total equity			
	Non-Distributable					Distributable								
	Share capital	Preference Shares	Share premium	Warrant reserve	Other reserve	Exchange reserve	Capital reserve	Equity compensation reserve	Revaluation reserve	General reserve		Retained profit	Total	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
<i>Preceding year corresponding period</i>														
At 1 January 2011	393,471	2,069	379,869	34,688	476	(85,730)	2,846	16,224	7,935	2,616	501,914	1,256,378	275,150	1,531,528
- as previously stated											11,698	1,1698		1,543,226
- effect of adopting amendments to FRS 112											513,612	1,268,076	275,150	1,543,226
At 1 January 2011, as restated	393,471	2,069	379,869	34,688	476	(85,730)	2,846	16,224	7,935	2,616	37,392	37,392	900	38,292
Profit for the period	-	-	-	-	-	(7,734)	-	-	-	-	-	(7,734)	(4,806)	(12,540)
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	393,471	2,069	379,869	34,688	476	(93,464)	2,846	16,224	7,935	2,616	551,004	1,297,734	271,244	1,568,978
<i>Share options vested under ESOS</i>														
Arising from share options exercised	2,200	-	6,453	-	-	-	-	1,469	-	-	-	1,469	-	1,469
Arising from conversion of ICPS	202	(202)	-	-	-	-	-	-	-	-	-	8,653	-	8,653
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	551,004	1,361,199	271,244	1,632,443
<i>Current year to date</i>														
At 1 January 2012	402,604	1,176	414,206	87,782	476	(90,305)	2,846	16,655	20,653	1,438	615,681	1,473,212	282,586	1,755,798
- as previously stated											3,565	3,565		3,565
- effect of adopting amendments to FRS 112											619,246	1,476,777	282,586	1,759,363
At 1 January 2012, as restated	402,604	1,176	414,206	87,782	476	(90,305)	2,846	16,655	20,653	1,438	40,034	40,034	(255)	39,779
Profit for the period	-	-	-	-	-	(17,684)	-	-	-	-	-	(17,684)	(9,322)	(27,006)
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	402,604	1,176	414,206	87,782	476	(107,989)	2,846	16,655	20,653	1,438	659,280	1,499,127	273,009	1,772,136
<i>Share options vested under ESOS</i>														
Arising from share options exercised	6,017	-	17,812	-	-	-	-	2,920	-	-	-	2,920	-	2,920
Arising from conversion of ICPS	52	(52)	-	-	-	-	-	-	-	-	-	23,829	-	23,829
Arising from conversion of warrants	1	-	3	-	-	-	-	-	-	-	-	-	-	4
Transfer within reserve for ESOS exercised	-	-	7,752	-	-	-	-	(7,752)	-	-	-	-	-	-
Transfer within reserve for warrants exercised	-	-	1	(1)	-	-	-	-	-	-	-	-	-	-
At 31 March 2012	408,674	1,124	439,774	87,781	476	(107,989)	2,846	11,823	20,653	1,438	659,280	1,525,880	273,009	1,798,889

(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 3 MONTHS ENDED 31 MARCH 2012

	UNAUDITED CUMULATIVE PERIOD CURRENT YEAR TO DATE 31.03.2012 RM'000	CUMULATIVE PERIOD PRECEDING YEAR CORRESPONDING 31.03.2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	51,606	49,548
Adjustments for:-		
Non-cash items	19,716	(37,013)
Non-operating items - financing	10,673	7,333
Non-operating items - investing	(4,847)	(3,119)
Operating profit before working capital changes	<u>77,148</u>	<u>16,749</u>
Net changes in current assets	115,874	(66,759)
Net changes in current liabilities	(101,879)	112,735
Cash flows generated from operations	<u>91,143</u>	<u>62,725</u>
Interest paid *	(15,477)	(15,363)
Interest received	4,723	6,587
Taxation paid	(8,891)	(4,569)
Net cash generated from operating activities	<u>71,498</u>	<u>49,380</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment	343	12,456
Refund of share application monies from associates	-	2,409
Withdrawal from redemption and FSRA accounts	(53)	(184)
Net cash generated from investing activities	<u>290</u>	<u>14,681</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from share options exercised	23,829	8,653
Proceed from conversion of warrants	4	-
Proceed from issuance of warrants	-	53,698
Incidental costs of issuance of warrants/bonds	-	(171)
Bank borrowings	(77,712)	(40,784)
Net cash (used in)/generated from financing activities	<u>(53,879)</u>	<u>21,396</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	17,909	85,457
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	774,679	1,149,694
Foreign exchange differences	(35,850)	(1,555)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD **	<u>756,738</u>	<u>1,233,596</u>

* Included in interest paid is interest capitalised amounting to RM5,453,059.

** Cash & cash equivalents excludes fixed deposits with licensed bank amounting to RM770,000 and fixed deposits held under Finance Service Reserve Account amounting to RM3,969,597.

(The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 2012**

**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 2011. 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 2011.

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 2011, except for the adoption of the following new Financial Reporting Standards ("FRSs"), Amendments to FRSs and Interpretations with effect from 1 January 2012.

On 1 January 2012, the Group adopted the following FRSs:-

FRSs, Amendments to FRSs and Interpretations

Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 7	Disclosure – Transfers of Financial Assets
Amendments to FRS 112	Deferred Tax Recovery of Underlying Assets
Amendments to FRS 101	Presentation of Items of Other Comprehensive Income

A2 Changes in Accounting Policies (Cont'd)

The Group has earlier adopted FRS 11 Joint Arrangements which is originally effective for annual periods beginning on or after 1 January 2013.

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 Amendments to FRS 112 and FRS 11 as discussed below:

Amendments to FRS 112 : *Deferred Tax Recovery of Underlying Assets*

The amendments clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in FRS 140 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in FRS 116 to be always measured on a sale basis of that asset.

Pursuant to Amendments to FRS 112, the Group has applied the Amendments retrospectively, and the following are the effects arising from the above changes in accounting policies:

	As previously Stated RM'000	Effects of Adopting Amendments to FRS 112 RM'000	As Restated RM'000
<u>As at 31 December 2011</u>			
Consolidated Statement of Financial Position			
Deferred tax liabilities	50,305	(15,263)	35,042
Retained profits as at 1 January 2011	501,914	11,698	513,612
<u>For 12 months ended 31 December 2011</u>			
Consolidated Income Statement			
Taxation	44,609	(3,565)	41,044

A2 Changes in Accounting Policies (Cont'd)

FRS 11: Joint Arrangements

FRS 11 replaces FRS 131 Interests in Joint Ventures and IC Interpretation 113 Jointly-controlled Entities – Non-monetary Contributions by Venturers. FRS 11 removes the option to account for jointly controlled entities (“JCE”) using proportionate consolidation. Instead, JCE that meet the definition of a joint venture must be accounted for using the equity method.

The application of this new standard will impact the financial position of the Group. This is due to the cessation of proportionate consolidation of Segi Astana Sdn. Bhd.. This investment will be equity accounted for.

Pursuant to FRS 11, the Group has applied the standard retrospectively, and the following are the effects arising from the above changes in accounting policies:

	As previously Stated RM'000	Effects of Adopting FRS 11 RM'000	As Restated RM'000
<u>As at 31 December 2011</u>			
Effects on Consolidated Statement of Financial Position			
Concession assets	129,732	(129,732)	-
Investment in jointly controlled entities	-	1,581	1,581
Other receivables	479,910	142,150	622,060
Cash and cash equivalents	804,003	(14,001)	790,002
Other payables	396,443	(2)	396,441
<u>For 3 months ended 31 March 2011</u>			
Effect on Consolidated Income Statement			
Other expenses	2,288	1	2,289
Share of profits after tax of jointly controlled entities	-	1	1
<u>For 12 months ended 31 December 2011</u>			
Effect on Consolidated Income Statement			
Other operating income	69,449	(1,857)	67,592
Administration expenses	74,049	(273)	73,776
Share of profits after tax of jointly controlled entities	-	1,584	1,584

A2 Changes in Accounting Policies (Cont'd)

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework). The MFRS Framework comprises Standards as issued by the International Accounting Standards Board (IASB) that are effective on 1 January 2012. It also comprises new/revised Standards that will be effective after 1 January 2012. All other Standards under the FRS framework where no new/revised Standards that will be effective after 1 January 2012 will transition to MFRS framework with no further amendments.

The MFRS Framework is to be applied by all entities other than private entities for financial year beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estates, including its parent, significant investor and venture (herein called 'Transitioning Entities'). IC Interpretation 15 which was supposed to be effective for periods beginning on or after 1 January 2012 was withdrawn.

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

The Group falls within the scope definition of Transitioning Entities and have opt to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS framework in its first MFRS financial statements for the year ending 31 December 2013. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2013.

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 2011.

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 2012.

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 2012.

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 12,034,652 new ordinary shares of RM0.50 each pursuant to the exercise of the ESOS at the exercise price of RM0.61 to RM2.44 per ordinary share.
- (b) Issuance of 103,151 new ordinary shares of RM0.50 each pursuant to the conversion of 515,755 ICPS of RM0.10 which was satisfied by surrendering 5 ICPS for each new ordinary share.
- (c) Issuance of 800 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 746 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
3 months period ended 31 March 2012						
Revenue						
External	273,041	55,343	13,186	-	-	341,570
Intra segment	3,534	-	-	-	(3,534)	-
	<u>276,575</u>	<u>55,343</u>	<u>13,186</u>	<u>-</u>	<u>(3,534)</u>	<u>341,570</u>
Segment results						
Profit from operations	47,272	8,535	6,388	-	-	62,195
Finance costs	-	-	-	-	-	(15,396)
Share of profits of associates	-	-	-	4,052	-	4,052
Share of profits of jointly controlled entities	-	-	-	755	-	755
Taxation	-	-	-	-	-	(11,827)
Profit for the period						<u>39,779</u>
Profit attributable to :-						
Equity holders of the Company						40,034
Non-controlling interest						(255)
						<u>39,779</u>
3 months period ended 31 March 2011						
Revenue						
External	246,987	56,928	11,699	-	-	315,614
Intra segment	6,195	-	-	-	(6,195)	-
	<u>253,182</u>	<u>56,928</u>	<u>11,699</u>	<u>-</u>	<u>(6,195)</u>	<u>315,614</u>
Segment results						
Profit from operations	49,615	9,754	5,937	-	-	65,306
Finance costs	-	-	-	-	-	(18,709)
Share of profits of associates	-	-	-	2,950	-	2,950
Share of profits of jointly controlled entities	-	-	-	1	-	1
Taxation	-	-	-	-	-	(11,256)
Profit for the period						<u>38,292</u>
Profit attributable to :-						
Equity holders of the Company						37,392
Non-controlling interest						900
						<u>38,292</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 2011.

A11 Subsequent Material Events

There were no material events subsequent to the reporting period up to 16 May 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

On 28 March 2012, WCT Land Sdn. Bhd. ("WCTL") entered into a share sale agreement with Medini Land Sdn. Bhd. to acquire 1,500,000 ordinary share of RM1.00 each at par representing the remaining 30% equity interest in One Medini Sdn. Bhd. ("OMSB") for a purchase consideration of RM1,825,000. The transaction was subsequently completed which resulted OMSB become a wholly owned subsidiary of WCTL.

Save as disclosed above, there were no changes in the composition of the Group during the period under review.

A13 Contingent Liabilities

Contingent liabilities of the Group as at 16 May 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 RM968.181 million provided by the Group to various parties in the ordinary course of business and tax matters under appeal amounting to RM4 million of the Group. The changes in contingent liabilities since 17 February 2012 are as follows:-

(a)	Bank Guarantees RM'000
Balance as at 17 February 2012	923,505
Extended/utilised during the period	74,324
Discharged/paid during the period	<u>(29,648)</u>
Balance as at 16 May 2012	<u>968,181</u>

(b) The tax matters under appeal of the Group totaling RM4 million are in respect of corporation tax and service tax of a foreign subsidiary.

A14 Capital Commitments

There are no material commitments except for as follows:-

	RM'000
Approved and contracted for :	
Property, plant and equipment	12,583
Land	92,240
Investment	531,879
Share of capital commitments of jointly controlled entities	37,871
	<hr/>
	674,573
	<hr/>

A15 Significant Related Party Transactions

	RM'000
<u>The Group</u>	
Rental of property paid to a Director of the Company	<hr/>
	131
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B EXPLANATORY NOTES IN COMPLIANCE WITH LISTING REQUIREMENTS OF THE BURSA MALAYSIA

B1 Review of performance

For current quarter under review, the Group registered revenue of RM342 million which represent an increase of 8% as compared to RM316 million recorded in the preceding year corresponding quarter. The Group's profit after taxation and non-controlling interest of RM40 million is about 7% higher than the preceding financial year corresponding quarter.

Civil engineering and construction segment recorded revenue and operational profit of RM273 million (2011:RM247 million) and RM47 million (2011:RM50 million) respectively. The increase in revenue is attributable to higher contribution from local division.

The performance of property development and investment segment is about the same like the preceding year corresponding quarter. This segment registered revenue and operational profit of RM69 million (2011:RM69 million) and RM15 million (2011:RM16 million) respectively.

Basic earning per share for current quarter improved by about 4% to 4.92 sen as compared to 4.71 sen in the preceding year corresponding quarter.

B2 Comparison With Immediate Preceding Quarter's Results

For the quarter under review, the Group recorded revenue and profit after tax and non-controlling interest of RM342 million and RM40 million as compared to RM485 million and RM48 million reported in the immediate preceding quarter. The lower revenue and profit after tax and non-controlling interest in current quarter as compare to the immediately preceding quarter is mainly due to the long festive season.

B3 Profit for the period

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months period To 31.03.2012) RM'000	PRECEDING YEAR CORRESPONDING (3 months period To 31.03.2011) RM'000	CURRENT YEAR TO DATE (3 months period To 31.03.2012) RM'000	PRECEDING YEAR CORRESPONDING (3 months period To 31.03.2011) RM'000
Profit for the period is arrived at after crediting /(charging):				
Interest income	4,723	6,587	4,723	6,587
Interest expense	(15,396)	(18,709)	(15,396)	(18,709)
Depreciation and amortisation	(1,288)	(1,159)	(1,288)	(1,159)
Gain on disposal of property, plant and equipment	34	217	34	217
Gain on disposal of stock properties	6	-	6	-
Loss on foreign exchange	(6,170)	(4,766)	(6,170)	(4,766)

B4 Prospect For Financial Year 2012

With the implementation of the Economic Transformation Programme by the Malaysian government, the Group is confident to achieve satisfactory results for financial year ending 31 December 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 31.03.2012)	PRECEDING YEAR CORRESPONDING (3 months period To 31.03.2011)	CURRENT YEAR TO DATE (3 months period To 31.03.2012)	PRECEDING YEAR CORRESPONDING (3 months period To 31.03.2011)
	RM'000	RM'000	RM'000	RM'000
Taxation comprises:-				
Malaysia Tax				
- Current year	5,585	10,436	5,585	10,436
- Prior years	-	-	-	-
- Deferred taxation	6,242	820	6,242	820
	<u>11,827</u>	<u>11,256</u>	<u>11,827</u>	<u>11,256</u>

The effective tax rate for the current quarter ended 31 March 2012 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 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.

B7 Status of Corporate Proposals Announced

On 14 March 2012, Iris Green Sdn. Bhd., a wholly-owned subsidiary of WCT Land Sdn. Bhd. ("WCTL"), which in turn is a wholly-owned subsidiary of the Company, has entered into a conditional share sale agreement with Eng Lian Enterprise Sdn. Bhd., Shen & Sons Sdn. Bhd. and AMC Sdn. Bhd. (collectively referred to as "Vendors") for the acquisition of 1,850,000 ordinary shares of RM1.00 each in Timor Barat Properties Sdn. Bhd. ("Timor Barat"), representing 100% of the issued and paid-up share capital of Timor Barat, from the Vendors for a total cash consideration of RM450,000,000 ("Proposed Acquisition").

The Proposed Acquisition is subject to the following approvals:

- (a) the shareholders of the Company for the Proposed Acquisition at an extraordinary general meeting to be convened; and
- (b) any other relevant authorities/parties, if required.

Save as disclosed above, the Group did not announce any corporate proposal which has not been completed as at 16 May 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 31.03.2012 RM'000	(Restated) As at 31.12.2011 RM'000
Total retained profits of the Company and it's subsidiaries:-		
- Realised	1,151,324	1,123,479
- Unrealised	37,816	43,731
	<u>1,189,140</u>	<u>1,167,210</u>
Total share of retained profits from associated companies:-		
- Realised	72,888	68,832
- Unrealised	(363)	(359)
	<u>72,525</u>	<u>68,473</u>
Total share of retained profits from jointly controlled entities:-		
- Realised	(54,154)	(53,657)
- Unrealised	(1,564)	(1,564)
	<u>(55,718)</u>	<u>(55,221)</u>
Less : Consolidation adjustment	<u>(546,667)</u>	<u>(561,216)</u>
Total Group retained profits as per consolidated accounts	<u>659,280</u>	<u>619,246</u>

B9 Group Borrowings And Debt Securities

Details of group borrowings are as follows:-

	As at 31.03.2012 RM'000	As at 31.12.2011 RM'000
Long Term Bank Borrowings		
<u>Secured:-</u>		
Long Term Loan	156,023	158,363
Hire Purchase Creditors	6,225	4,690
	<u>162,248</u>	<u>163,053</u>
<u>Unsecured:-</u>		
ICP/IMTN	100,000	100,000
SUKUK	-	96,194
BONDS	561,718	558,493
	<u>661,718</u>	<u>754,687</u>
	<u>823,966</u>	<u>917,740</u>
Short Term Bank Borrowings		
<u>Secured :-</u>		
Hire Purchase Creditors	12,086	13,574
Revolving Credit	70,000	70,000
Term Loans	250,865	208,149
	<u>332,951</u>	<u>291,723</u>
<u>Unsecured :-</u>		
Bank Overdraft	4,964	10,636
Banker Acceptance	10,370	24,395
BAIDS	40,000	40,000
ICP/IMTN	-	-
SUKUK	96,934	99,305
	<u>152,268</u>	<u>174,336</u>
	<u>485,219</u>	<u>466,059</u>
	<u>1,309,185</u>	<u>1,383,799</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

B10 Material Litigation

Except as disclosed below, the Group was not engaged in any material litigation from 31 December 2011 (the date of the last annual statement of financial position) to 16 May 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 would 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 Ending 31 Dec 2012	PAID in Year Ended 31 Dec 2011
	RM'000	RM'000
<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
Total net dividend paid	-	60,354

A final dividend of 3.0 sen per ordinary share of RM0.50 each less Malaysian Income Tax of 25% and a final tax exempt dividend of 1.5 sen per ordinary share of RM0.50 each for the financial year ended 31 December 2011 was approved by the shareholders at the Annual General Meeting held on 16 May 2012.

The entitlement date for the final dividend is fixed on 23 May 2012 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 23 May 2012 in respect of ordinary transfer; and
- ii) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

The final dividend will be paid on 8 June 2012.

B12 Earnings Per Share

	Reporting Quarter/ Current Year To Date 31.03.2012
(a) Basic Earnings Per Share	
Profit attributable to the equity holders of the parent (RM'000)	40,034
Weighted average number of ordinary shares in issue ('000)	813,870
Basic earnings per share (sen)	4.92
(b) Fully Diluted Earnings Per Share	
Profit attributable to the equity holders of the parent (RM'000)	40,034
Weighted average number of ordinary shares in issue ('000)	813,870
Effects of dilution:	
Shares options ('000)	2,226
Warrants ('000)	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	816,096
Fully diluted earnings per share (sen)	4.91

B13 Comparative Figures

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

Date: 22nd May 2012