



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

Date : 15 August 2012

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL
PERIOD ENDED 30 JUNE 2012**

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WCT BERHAD
(Company Number : 66538-K)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED INCOME STATEMENT FOR THE SECOND QUARTER ENDED
30 JUNE 2012**

(The figures have not been audited)

CONSOLIDATED INCOME STATEMENT FOR THE SECOND QUARTER ENDED 30 JUNE 2012

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 30.06.2012) RM'000	RESTATED PRECEDING YEAR CORRESPONDING (3 months to 30.06.2011) RM'000	CURRENT YEAR TO DATE (6 months to 30.06.2012) RM'000	RESTATED PRECEDING YEAR CORRESPONDING (6 months to 30.06.2011) RM'000
Revenue	396,813	375,934	738,383	691,548
Cost of sales	(324,728)	(289,594)	(588,111)	(536,975)
Gross profit	72,085	86,340	150,272	154,573
Other income	18,153	5,780	22,342	21,624
Other expenses	(10,298)	(10,169)	(14,617)	(12,458)
Administrative expenses	(20,486)	(17,830)	(36,348)	(34,312)
Finance costs	(15,386)	(16,609)	(30,782)	(35,318)
Share of profit after tax of associates	4,093	3,458	8,145	6,408
Share of profit after tax of jointly controlled entities	(248)	(171)	507	(170)
	47,913	50,799	99,519	100,347
Income tax expense	(10,930)	(11,490)	(22,757)	(22,746)
Profit for the period	36,983	39,309	76,762	77,601
Attributable to:				
Equity holders of the Company	39,499	37,789	79,533	75,181
Non-controlling interest	(2,516)	1,520	(2,771)	2,420
Profit for the period	36,983	39,309	76,762	77,601
Attributable to equity holders of the Company :				
Basic earnings per share (sen)	4.80	4.71	9.72	9.42
Fully diluted earnings per share (sen)	-	4.40	-	8.78

(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 SECOND QUARTER ENDED 30 JUNE 2012

(The figures have not been audited)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2012

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 30.06.2012) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 30.06.2011) RM'000	CURRENT YEAR TO DATE (6 months to 30.06.2012) RM'000	PRECEDING YEAR CORRESPONDING (6 months to 30.06.2011) RM'000
Profit for the period	36,983	39,309	76,762	77,601
Other comprehensive income/(loss):				
Currency translation differences arising from consolidation	18,261	12,579	(8,745)	39
Other comprehensive income/(loss) for the period, net of tax	18,261	12,579	(8,745)	39
Total comprehensive income/(loss) for the period	55,244	51,888	68,017	77,640
Total comprehensive income/(loss) for the period attributable to :				
Equity holders of the Company	48,960	49,117	71,310	78,775
Non-controlling interest	6,284	2,771	(3,293)	(1,135)
	55,244	51,888	68,017	77,640

(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 30 JUNE 2012

	AS AT CURRENT QUARTER 30.06.2012	(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	266,094	270,250
Land held for property development	257,581	266,438
Investment properties	868,354	814,023
Investment in associates	165,749	159,529
Investment in jointly controlled entities	2,088	1,581
Other investments	9,750	9,750
Trade receivables	1 389,745	374,640
Other receivables	1 284,585	261,585
Deferred tax assets	18,012	23,624
	<u>2,261,958</u>	<u>2,181,420</u>
<u>Current assets</u>		
Property development costs	293,009	289,564
Inventories	52,023	51,431
Trade receivables	523,936	634,061
Other receivables	580,837	622,060
Due from related parties	1,019	1,012
Cash and cash equivalents	893,163	790,002
	<u>2,343,987</u>	<u>2,388,130</u>
TOTAL ASSETS	<u>4,605,945</u>	<u>4,569,550</u>
EQUITY AND LIABILITIES		
<u>Equity attributable to equity holders of the Company</u>		
Share capital	410,367	402,604
Irredeemable Convertible Preference Shares ("ICPS")	1,061	1,176
Share premium	446,749	414,206
Reserves	694,972	658,462
	<u>1,553,149</u>	<u>1,476,448</u>
Non-controlling interest	<u>217,870</u>	<u>282,586</u>
Total equity	<u>1,771,019</u>	<u>1,759,034</u>

WCT BERHAD

(Company Number : 66538-K)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012 (Cont'd)

		AS AT CURRENT QUARTER 30.06.2012	(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	114,372	89,732
Other payables	2	481,043	336,109
Borrowings		922,219	917,740
Deferred tax liabilities		34,177	35,371
		<u>1,551,811</u>	<u>1,378,952</u>
<u>Current liabilities</u>			
Trade payables		418,129	562,346
Other payables		192,623	396,441
Borrowings		661,465	466,059
Tax payable		10,898	6,718
		<u>1,283,115</u>	<u>1,431,564</u>
Total Liabilities		<u>2,834,926</u>	<u>2,810,516</u>
TOTAL EQUITY AND LIABILITIES		<u>4,605,945</u>	<u>4,569,550</u>
Net asset per share (RM)		1.89	1.83

(1) Included receivables of RM267 million in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecourse project.

(2) Included payables of RM267 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 6 MONTHS ENDED 30 JUNE 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	Non-controlling interest	Total equity
	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	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	393,471	2,069	379,869	34,688	476	(85,730)	2,846	16,224	7,935	2,616	513,283	1,267,747	275,150	1,542,897
- effect of adopting amendments to FRS 112	-	-	-	-	-	-	-	-	-	-	75,181	75,181	2,420	77,601
At 1 January 2011, as restated	-	-	-	-	-	3,594	-	-	-	-	-	3,594	(3,555)	39
Profit for the period	393,471	2,069	379,869	34,688	476	(82,136)	2,846	16,224	7,935	2,616	588,464	1,346,522	274,015	1,620,537
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	(29,944)	(29,944)	-	(29,944)
Dividends paid to shareholders	6,287	-	17,706	-	-	-	-	5,044	-	-	-	5,044	-	5,044
Share options vested under ESOS	248	(248)	-	-	-	-	-	-	-	-	-	23,993	-	23,993
Arising from share options exercised	352	-	1,578	-	-	-	-	-	-	-	-	1,930	-	1,930
Arising from conversion of warrants	-	-	7,574	53,343	-	-	-	-	-	-	-	53,343	-	53,343
Arising from issuance of Warrants 2011/2016	-	-	235	(235)	-	-	-	(7,574)	-	-	-	-	-	-
Transfer within reserve for ESOS exercised	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer within reserve for warrants exercised	400,358	1,823	406,962	87,796	476	(82,136)	2,846	13,694	7,935	2,616	538,520	1,400,888	274,015	1,674,903
At 30 June 2011	402,604	1,176	414,206	87,782	476	(90,305)	2,846	16,655	20,653	1,438	615,322	1,472,883	282,586	1,755,469
<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	618,917	1,476,448	282,586	1,759,034
- as previously stated	402,604	1,176	414,206	87,782	476	(90,305)	2,846	16,655	20,653	1,438	79,533	79,533	(2,771)	76,762
- effect of adopting amendments to FRS 112	-	-	-	-	-	(8,223)	-	-	-	-	-	(8,223)	(522)	(8,745)
At 1 January 2012, as restated	-	-	-	-	-	(8,223)	-	-	-	-	-	-	-	-
Profit for the period	402,604	1,176	414,206	87,782	476	(98,528)	2,846	16,655	20,653	1,438	698,450	1,547,758	279,293	1,827,051
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	-	-	-	-	(30,777)	(30,777)	-	(30,777)
Dividends paid to shareholders	-	-	-	-	-	-	-	-	-	-	-	-	(61,423)	(61,423)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share options vested under ESOS	7,645	-	22,669	-	-	-	-	5,840	-	-	-	5,840	-	5,840
Arising from share options exercised	115	(115)	-	-	-	-	-	-	-	-	-	30,314	-	30,314
Arising from conversion of ICPS	3	-	11	-	-	-	-	-	-	-	-	14	-	14
Arising from conversion of warrants	-	-	9,861	-	-	-	-	(9,861)	-	-	-	-	-	-
Transfer within reserve for ESOS exercised	-	-	2	(2)	-	-	-	(12,634)	-	-	-	-	-	-
Transfer within reserve for warrants exercised	-	-	-	-	(8)	-	-	-	-	-	12,642	-	-	-
Transfer within reserve	410,367	1,061	446,749	87,780	468	(98,528)	2,846	-	20,653	1,438	680,315	1,533,149	217,870	1,751,019
At 30 June 2012														

(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 6 MONTHS ENDED 30 JUNE 2012

	UNAUDITED CUMULATIVE PERIOD CURRENT YEAR TO DATE 30.06.2012 RM'000	CUMULATIVE PERIOD PRECEDING YEAR CORRESPONDING 30.06.2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	99,519	100,347
Adjustments for:-		
Non-cash items	11,552	(2,487)
Non-operating items - financing	21,892	22,387
Non-operating items - investing	(8,846)	(10,443)
Operating profit before working capital changes	<u>124,117</u>	<u>109,804</u>
Net changes in current assets	25,249	121,653
Net changes in current liabilities	(179,749)	(25,562)
Cash flows (used in)/generated from operations	<u>(30,383)</u>	<u>205,895</u>
Interest paid *	(29,329)	(29,399)
Interest received	8,890	12,931
Taxation paid	(17,875)	(8,543)
Net cash (used in)/generated from operating activities	<u>(68,697)</u>	<u>180,884</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment	(4,881)	8,736
Investment properties	-	(961)
Refund of share application monies from associates	-	2,420
Withdrawal from redemption and FSRA accounts	(20,084)	(14,941)
Net cash used in investing activities	<u>(24,965)</u>	<u>(4,746)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from share options exercised	30,314	23,993
Proceed from conversion of warrants	14	1,930
Proceed from issuance of warrants	-	53,698
Incidental costs of issuance of warrants/bonds	-	(171)
Dividend paid to shareholders	(30,777)	(29,944)
Bank borrowings	189,599	(266,663)
Net cash generated from/(used in) financing activities	<u>189,150</u>	<u>(217,157)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	95,488	(41,019)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	774,679	1,149,694
Foreign exchange differences	(9,923)	4,047
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD **	<u>860,244</u>	<u>1,112,722</u>

* Included in interest paid is interest capitalised amounting to RM7,211,009.

** Cash & cash equivalents excludes fixed deposits with licensed bank amounting to RM770,000 and fixed deposits held under Finance Service Reserve Account amounting to RM24,000,924.

(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 SECOND QUARTER
ENDED 30 JUNE 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	(14,934)	35,371
Retained profits as at 1 January 2011	501,914	11,369	513,283
<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 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>			
<u>Effects on Consolidated Statement of Financial Position</u>			
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 6 months ended 30 June 2011</u>			
<u>Effect on Consolidated Income Statement</u>			
Other expenses	12,628	(170)	12,458
Share of loss after tax of jointly controlled entities	-	(170)	(170)
<u>For 12 months ended 31 December 2011</u>			
<u>Effect on Consolidated Income Statement</u>			
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 two year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Group falls within the scope definition of Transitioning Entities and have opt to defer adoption of the new MRFS 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 2014. 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 2014.

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 30 June 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 30 June 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 15,290,438 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 230,002 new ordinary shares of RM0.50 each pursuant to the conversion of 1,150,008 ICPS of RM0.10 which was satisfied by surrendering 5 ICPS for each new ordinary share.
- (c) Issuance of 4,800 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
6 months period ended 30 June 2012						
Revenue						
External	539,273	166,310	32,800	-	-	738,383
Intra segment	39,102	-	-	-	(39,102)	-
	<u>578,375</u>	<u>166,310</u>	<u>32,800</u>	<u>-</u>	<u>(39,102)</u>	<u>738,383</u>
Segment results						
Profit from operations	78,096	35,891	7,662	-	-	121,649
Finance costs	-	-	-	-	-	(30,782)
Share of profits of associates	-	-	-	8,145	-	8,145
Share of profits of jointly controlled entities	-	-	-	507	-	507
Taxation	-	-	-	-	-	(22,757)
Profit for the period						<u>76,762</u>
Profit attributable to :-						
Equity holders of the Company						79,533
Non-controlling interest						(2,771)
						<u>76,762</u>
6 months period ended 30 June 2011						
Revenue						
External	559,452	107,427	24,669	-	-	691,548
Intra segment	30,298	-	-	-	(30,298)	-
	<u>589,750</u>	<u>107,427</u>	<u>24,669</u>	<u>-</u>	<u>(30,298)</u>	<u>691,548</u>
Segment results						
Profit from operations	96,763	20,177	12,487	-	-	129,427
Finance costs	-	-	-	-	-	(35,318)
Share of profits of associates	-	-	-	6,408	-	6,408
Share of profits of jointly controlled entities	-	-	-	(170)	-	(170)
Taxation	-	-	-	-	-	(22,746)
Profit for the period						<u>77,601</u>
Profit attributable to :-						
Equity holders of the Company						75,181
Non-controlling interest						2,420
						<u>77,601</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 9 August 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 9 August 2012 (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 RM982.708 million and RM31.64 million respectively provided by the Group to various parties in the ordinary course of business and tax matters under appeal amounting to RM4 million. The changes in contingent liabilities since 17 February 2012 are as follows:-

(a)	Bank Guarantees RM'000	Letter of credit RM'000
Balance as at 17 February 2012	923,505	-
Extended/utilised during the period	152,760	31,640
Discharged/paid during the period	(93,557)	
	<hr/>	<hr/>
Balance as at 9 August 2012	982,708	31,640

(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	597
Land	95,639
Investment	445,215
Share of capital commitments of jointly controlled entities	37,871
	<u>579,322</u>

A15 Significant Related Party Transactions

	RM'000
<u>The Group</u>	
Rental of property paid to a Director of the Company	263
Sales of properties to a Director and persons connected with the Director	5,108
	<u>5,371</u>

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

B1 Review of performance

For the current quarter, the Group recorded revenue and profit after taxation and non-controlling interest of RM397 million and RM39 million respectively as compared to RM376 million and RM38 million respectively in the preceding year corresponding quarter.

For the current year to date, the Group recorded revenue and profit after taxation and non-controlling interest of RM738 million and RM80 million respectively as compared to RM692 million and RM75 million respectively in the preceding year corresponding period.

For the current year to date, civil engineering and construction segment recorded revenue and operational profit of RM539 million (2011:RM559 million) and RM78 million (2011:RM97 million) respectively. The decrease in revenue and operational profit is attributable to lower contribution from overseas division.

For the current year to date, property development and investment segments registered revenue and operational profit of RM199 million (2011:RM132 million) and RM44 million (2011:RM33 million) respectively. The increase in revenue and operational profit is due to higher sales recorded from our property launches.

Basic earning per share for current year to date improved by approximately 3% to 9.72 sen as compared to 9.42 sen recorded in the preceding year corresponding period.

B2 Comparison With Immediate Preceding Quarter's Results

For the current quarter under review, the Group recorded revenue and profit after taxation and non-controlling interest of RM397 million and RM39 million as compared to RM342 million and RM40 million reported in the immediate preceding quarter. The Group's revenue improved as a result of better performance from property development and investment segments.

B3 Profit for the period

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months period To 30.06.2012) RM'000	PRECEDING YEAR CORRESPONDING (3 months period To 30.06.2011) RM'000	CURRENT YEAR TO DATE (6 months period To 30.06.2012) RM'000	PRECEDING YEAR CORRESPONDING (6 months period To 30.06.2011) RM'000
Profit for the period is arrived at after crediting /(charging):				
Interest income	4,168	6,345	8,891	12,932
Interest expense	(15,386)	(16,609)	(30,782)	(35,318)
Depreciation and amortisation	(1,450)	(1,483)	(2,738)	(2,642)
Bad debts written off	(188)	(114)	(188)	(114)
Gain on disposal of property, plant and equipment	4	3,284	38	3,701
Gain on disposal of stock properties	150	335	156	335
Gain/(loss) on foreign exchange	10,366	(11,495)	4,196	(16,261)

B4 Prospect For Financial Year 2012

In anticipation of improving macro economic outlook and the implementation of 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 30.06.2012)	PRECEDING YEAR CORRESPONDING (3 months period To 30.06.2011)	CURRENT YEAR TO DATE (6 months period To 30.06.2012)	PRECEDING YEAR CORRESPONDING (6 months period To 30.06.2011)
	RM'000	RM'000	RM'000	RM'000
Taxation comprises:-				
Malaysia Tax				
- Current year	14,675	10,700	20,260	21,136
- Prior years	(1,922)	(729)	(1,922)	(729)
- Deferred taxation	(1,823)	1,519	4,419	2,339
	10,930	11,490	22,757	22,746

The Group's effective tax rate (excluding the results of associates and jointly controlled entities which are equity accounted net of tax) for the current quarter and cumulative period ended 30 June 2012 is about the same as the statutory tax rate.

The Group's effective tax rate (excluding the results of associates and jointly controlled entities which are equity accounted net of tax) for the corresponding quarter and cumulative period 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.

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 shareholders of the Company have approved the Proposed Acquisition at the extraordinary general meeting held on 14 August 2012.

Save as disclosed above, the Group did not announce any corporate proposal which has not been completed as at 9 August 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 both realized and unrealized as at the reporting date pursuant to the directive issued by Bursa Malaysia Securities on 25 March 2010 are as follow:

	As at 30.06.2012 RM'000	(Restated) As at 31.12.2011 RM'000
Total retained profits of the Company and its subsidiaries:-		
- Realised	1,044,396	1,123,479
- Unrealised	49,075	43,402
	<u>1,093,471</u>	<u>1,166,881</u>
Total share of retained profits from associated companies:-		
- Realised	76,969	68,832
- Unrealised	(351)	(359)
	<u>76,618</u>	<u>68,473</u>
Total share of retained profits / (loss) from jointly controlled entities:-		
- Realised	(57,128)	(53,657)
- Unrealised	(1,564)	(1,564)
	<u>(58,692)</u>	<u>(55,221)</u>
Less : Consolidation adjustment	<u>(431,082)</u>	<u>(561,216)</u>
Total Group retained profits as per consolidated accounts	<u>680,315</u>	<u>618,917</u>

B9 Group Borrowings And Debt Securities

Details of group borrowings are as follows:-

	As at 30.06.2012 RM'000	As at 31.12.2011 RM'000
Long Term Bank Borrowings		
<u>Secured:-</u>		
Long Term Loan	152,063	158,363
Hire Purchase Creditors	5,213	4,690
	157,276	163,053
<u>Unsecured:-</u>		
ICP/IMTN	200,000	100,000
SUKUK	-	96,194
BONDS	564,943	558,493
	764,943	754,687
	922,219	917,740
Short Term Bank Borrowings		
<u>Secured :-</u>		
Hire Purchase Creditors	8,909	13,574
Revolving Credit	70,000	70,000
Term Loans	329,068	208,149
	407,977	291,723
<u>Unsecured :-</u>		
Bank Overdraft	8,148	10,636
Banker Acceptance	7,627	24,395
BAIDS	40,000	40,000
ICP/IMTN	100,000	-
SUKUK	97,713	99,305
	253,488	174,336
	661,465	466,059
	1,583,684	1,383,799

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 9 August 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, (“Joint Venture”) as Claimants) and Meydan Group LLC (formerly known as Meydan LLC, as Respondent) (“Employer”) 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. In the course of the procedural pre-evidentiary hearing steps, the Joint Venture’s dispute and claims had been revised from time to time and at present, totals approximately AED2.8 billion. The Employer has taken the position that the DIAC Case No. 02/2009 have expired by effluxion of time. After deliberation, the arbitration Tribunal in DIAC Case No. 02/2009 had on 9 June 2012 rejected conclusively the Employer’s submission that the arbitration proceedings have expired by effluxion of time. Notwithstanding the arbitration Tribunal’s decision above, the Employer had on 14 June 2012 brought its counterclaims in relation to what was DIAC Case No. 02/2009 before the Dubai Courts under Commercial Action No. 1066/2012 (“Civil Suit”), claiming against the JV, a sum of AED3.5 billion.

The JV is of the opinion that the Civil Suit is frivolous and without merit. In addition, there is a valid and binding arbitration agreement between the Employer and the JV and any dispute between the parties must be resolved by way of arbitration.

The Company is of the view that its chances of success in the arbitration proceedings and in opposing the Civil Suit are good and will continue to pursue the Joint Venture’s Claims and to oppose the Civil Suit.

- (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
<u>Final dividend paid</u>		
For the financial year ended 31 December 2011 3.0 sen per ordinary share of RM0.50 each less tax 25% & 1.5 sen tax exempt dividend per ordinary share of RM0.50 each (3.75 sen per ordinary share)	30,777	-
Total net dividend paid	<u>30,777</u>	<u>60,354</u>

On 15 August 2012, the Directors declared an interim single tier dividend of 3.75 sen per ordinary share of RM0.50.

The entitlement date for the interim dividend is fixed on 6 September 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 6 September 2012 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 20 September 2012.

B12 Earnings Per Share

	Reporting Quarter 30.06.2012	Current Year To Date 30.06.2012
(a) Basic Earnings Per Share		
Profit attributable to the equity holders of the parent (RM'000)	39,499	79,533
Weighted average number of ordinary shares in issue ('000)	822,856	818,363
Basic earnings per share (sen)	4.80	9.72

(b) Fully Diluted Earnings Per Share

Fully diluted earnings per share are not presented as there are no dilutive potential ordinary shares in the quarter under review and financial year to date.

B13 Comparative Figures

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

Date: 15th August 2012