



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

Date : 21 November 2012

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL
PERIOD ENDED 30 SEPTEMBER 2012**

<u>Table of contents</u>	<u>Page</u>
Consolidated Income Statement	1
Consolidated Statement of Comprehensive Income	2
Consolidated Statement of Financial Position	3 - 4
Consolidated Statement of Changes in Equity	5
Consolidated Statement of Cash Flows	6
Explanatory notes in compliance with Financial Reporting Standard ("FRS") 134, Interim Financial Reporting	7 - 14
Explanatory notes in compliance with Listing Requirements of the Bursa Malaysia	15 - 23

WCT BERHAD

(Company Number : 66538-K)

INTERIM FINANCIAL REPORT ON CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

(The figures have not been audited)

CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 30.09.2012) RM'000	RESTATED PRECEDING YEAR CORRESPONDING (3 months to 30.09.2011) RM'000	CURRENT YEAR TO DATE (9 months to 30.09.2012) RM'000	RESTATED PRECEDING YEAR CORRESPONDING (9 months to 30.09.2011) RM'000
Revenue	441,799	361,976	1,180,182	1,053,524
Cost of sales	(341,253)	(276,371)	(929,364)	(813,346)
Gross profit	100,546	85,605	250,818	240,178
Other income	(3,914)	3,126	18,428	24,750
Other expenses	(6,771)	(8,358)	(21,388)	(20,816)
Administrative expenses	(19,538)	(16,959)	(55,886)	(51,271)
Finance costs	(19,155)	(16,037)	(49,937)	(51,355)
Share of profit after tax of associates	4,951	5,649	13,096	12,057
Share of profit after tax of jointly controlled entities	(533)	(22)	(26)	(192)
	55,586	53,004	155,105	153,351
Income tax expense	(18,382)	(12,028)	(41,139)	(34,774)
Profit for the period	37,204	40,976	113,966	118,577
Attributable to:				
Equity holders of the Company	40,357	39,298	119,890	114,479
Non-controlling interest	(3,153)	1,678	(5,924)	4,098
Profit for the period	37,204	40,976	113,966	118,577
Attributable to equity holders of the Company :				
Basic earnings per share (sen)	4.91	4.87	14.63	14.29
Fully diluted earnings per share (sen)	4.90	4.63	14.61	13.54

(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 THIRD QUARTER ENDED 30 SEPTEMBER 2012

(The figures have not been audited)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 30.09.2012) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 30.09.2011) RM'000 (Restated)	CURRENT YEAR TO DATE (9 months to 30.09.2012) RM'000	PRECEDING YEAR CORRESPONDING (9 months to 30.09.2011) RM'000 (Restated)
Profit for the period	37,204	40,976	113,966	118,577
Other comprehensive income/(loss):				
Currency translation differences arising from consolidation	(17,013)	35,014	(25,758)	35,053
Revaluation increase of freehold land and building	-	-	-	-
Transfer from general reserve in respect of a foreign entity	-	(1,178)	-	(1,178)
Other comprehensive income/(loss) for the period, net of tax	(17,013)	33,836	(25,758)	33,875
Total comprehensive income/(loss) for the period	20,191	74,812	88,208	152,452
Total comprehensive income/(loss) for the period attributable to :				
Equity holders of the Company	31,465	60,658	102,775	139,433
Non-controlling interest	(11,274)	14,154	(14,567)	13,019
	20,191	74,812	88,208	152,452

(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 SEPTEMBER 2012

	AS AT CURRENT QUARTER 30.09.2012	(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	257,679	270,250
Land held for property development	277,859	266,438
Investment properties	878,347	814,023
Investment in associates	170,172	159,529
Investment in jointly controlled entities	1,855	1,581
Other investments	9,750	9,750
Trade receivables	1 373,118	374,640
Other receivables	1 274,336	261,585
Deferred tax assets	17,506	23,624
	<u>2,260,622</u>	<u>2,181,420</u>
<u>Current assets</u>		
Property development costs	303,573	289,564
Inventories	48,180	51,431
Trade receivables	588,355	634,061
Other receivables	525,973	622,060
Due from related parties	1,006	1,012
Cash and cash equivalents	920,654	790,002
	<u>2,387,741</u>	<u>2,388,130</u>
TOTAL ASSETS	<u>4,648,363</u>	<u>4,569,550</u>
EQUITY AND LIABILITIES		
<u>Equity attributable to equity</u>		
<u>holders of the Company</u>		
Share capital	411,502	402,604
Irredeemable Convertible Preference Shares ("ICPS")	-	1,176
Share premium	447,078	414,206
Reserves	696,986	658,462
	<u>1,555,566</u>	<u>1,476,448</u>
Non-controlling interest	206,355	282,586
Total equity	<u>1,761,921</u>	<u>1,759,034</u>

WCT BERHAD

(Company Number : 66538-K)

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

		AS AT CURRENT QUARTER 30.09.2012	(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	105,799	89,732
Other payables	2	452,138	336,109
Borrowings		1,018,623	917,740
Deferred tax liabilities		34,982	35,371
		<u>1,611,542</u>	<u>1,378,952</u>
<u>Current liabilities</u>			
Trade payables		397,255	562,346
Other payables		235,805	396,441
Due to related parties		-	-
Borrowings		619,427	466,059
Tax payable		22,413	6,718
		<u>1,274,900</u>	<u>1,431,564</u>
Total Liabilities		<u>2,886,442</u>	<u>2,810,516</u>
TOTAL EQUITY AND LIABILITIES		<u>4,648,363</u>	<u>4,569,550</u>
Net asset per share (RM)		1.89	1.83

(1) Included receivables of RM255 million in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecourse project.

(2) Included payables of RM255 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 THIRD QUARTER ENDED 30 SEPTEMBER 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
<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
- as previously stated											11,369	11,369
- effect of adopting amendments to FRS 112												
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	513,283	1,267,747
Profit for the period	-	-	-	-	-	-	-	-	-	-	114,479	114,479
Other comprehensive income/(loss)	-	-	-	-	-	26,132	-	-	-	(1,178)	-	24,954
Total comprehensive income for the period	393,471	2,069	379,869	34,688	476	(59,598)	2,846	16,224	7,935	1,438	627,762	1,407,180
Dividends paid to shareholders	-	-	-	-	-	-	-	-	-	-	(60,354)	(60,354)
Share options vested under ESOS	-	-	-	-	-	-	-	7,567	-	-	7,567	7,567
Arising from share options exercised	7,749	-	22,530	-	-	-	-	-	-	-	-	30,279
Arising from conversion of ICPS	756	(756)	-	-	-	-	-	-	-	-	-	-
Arising from conversion of warrants	373	-	1,673	-	-	-	-	-	-	-	2,046	2,046
Arising from issuance of Warrants 2011/2016	-	-	-	53,343	-	-	-	-	-	-	-	53,343
Transfer within reserve for ESOS exercised	-	-	9,592	-	-	-	-	(9,592)	-	-	-	-
Transfer within reserve for warrants exercised	-	-	249	(249)	-	-	-	-	-	-	-	-
At 30 September 2011	402,349	1,313	413,913	87,782	476	(59,598)	2,846	14,199	7,935	1,438	567,408	1,440,061
<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	615,352	1,472,883
- as previously stated												
- effect of adopting amendments to FRS 112												
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	618,917	1,476,448
Profit for the period	-	-	-	-	-	(17,115)	-	-	-	-	119,890	119,890
Other comprehensive income/(loss)	-	-	-	-	-	(17,115)	-	-	-	-	-	(17,115)
Total comprehensive income/(loss) for the period	402,604	1,176	414,206	87,782	476	(107,420)	2,846	16,655	20,653	1,438	738,807	1,579,223
Dividends paid to shareholders	-	-	-	-	-	-	-	-	-	-	(61,777)	(61,777)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(61,664)	(61,664)
Share options vested under ESOS	-	-	-	-	-	-	-	7,468	-	-	7,468	7,468
Arising from share options exercised	7,719	-	22,917	-	-	-	-	-	-	-	-	30,636
Arising from conversion of ICPS	1,176	(1,176)	-	-	-	-	-	-	-	-	-	-
Arising from conversion of warrants	3	-	13	-	-	-	-	(9,940)	-	-	16	16
Transfer within reserve for ESOS exercised	-	-	9,940	-	-	-	-	-	-	-	-	-
Transfer within reserve for warrants exercised	-	-	2	(2)	(16)	-	-	(12,634)	-	-	12,650	-
Transfer within reserve	-	-	-	-	-	-	-	-	-	-	-	-
At 30 September 2012	411,502	-	447,078	87,780	460	(107,420)	2,846	1,549	20,653	1,438	689,680	1,555,566

(The condensed consolidated statement of changes in equity 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 CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

	UNAUDITED CUMULATIVE PERIOD CURRENT YEAR TO DATE 30.09.2012 RM'000	CUMULATIVE PERIOD PRECEDING YEAR CORRESPONDING 30.09.2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	155,105	153,351
Adjustments for:-		
Non-cash items	32,759	9,845
Non-operating items - financing	35,339	33,352
Non-operating items - investing	(15,608)	(19,430)
Operating profit before working capital changes	207,595	177,118
Net changes in current assets	(155,326)	94,744
Net changes in current liabilities	(39,253)	(133,012)
Cash flows generated from operations	13,016	138,850
Interest paid *	(46,263)	(47,240)
Interest received	14,598	17,897
Taxation paid	(28,530)	(13,520)
Net cash (used in)/generated from operating activities	(47,179)	95,987
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment	(2,795)	9,258
Investment properties	-	(1,084)
Refund of share application monies from associates	-	6,072
Withdrawal from redemption and FSRA accounts	1,927	137
Net cash (used in)/generated from investing activities	(868)	14,383
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from share options exercised	30,636	30,279
Proceed from conversion of warrants	16	2,046
Proceed from issuance of warrants	-	53,698
Incidental costs of issuance of warrants/bonds	-	(171)
Dividend paid to shareholders	(61,777)	(60,354)
Bank borrowings	243,517	(283,456)
Net cash generated from/(used in) financing activities	212,392	(257,958)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	164,345	(147,588)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	774,679	1,149,694
Foreign exchange differences	(25,676)	38,518
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD **	913,348	1,040,624

* Included in interest paid is interest capitalised amounting to RM9,039,071.

** Cash & cash equivalents excludes fixed deposits with licensed bank amounting to RM770,000 and fixed deposits held under Finance Service Reserve Account amounting to RM1,990,000.

(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 THIRD QUARTER ENDED
30 SEPTEMBER 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>			
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 9 months ended 30 September 2011</u>			
Effect on Consolidated Income Statement			
Other expenses	21,008	(192)	20,816
Share of loss after tax of jointly controlled entities	-	(192)	(192)
<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 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 September 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 September 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 15,436,438 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 2,352,912 new ordinary shares of RM0.50 each pursuant to the conversion of 11,764,555 ICPS of RM0.10 which was satisfied by surrendering 5 ICPS for each new ordinary share.
- (c) Issuance of 5,546 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
9 months period ended 30 September 2012						
Revenue						
External	813,134	310,282	56,766	-	-	1,180,182
Intra segment	205,500	-	-	-	(205,500)	-
	<u>1,018,634</u>	<u>310,282</u>	<u>56,766</u>	<u>-</u>	<u>(205,500)</u>	<u>1,180,182</u>
Segment results						
Profit from operations	96,491	77,490	17,991	-	-	191,972
Finance costs	-	-	-	-	-	(49,937)
Share of profits of associates	-	-	-	13,096	-	13,096
Share of profits of jointly controlled entities	-	-	-	(26)	-	(26)
Taxation	-	-	-	-	-	(41,139)
Profit for the period						<u>113,966</u>
Profit attributable to :-						
Equity holders of the Company						119,890
Non-controlling interest						(5,924)
						<u>113,966</u>
9 months period ended 30 September 2011						
Revenue						
External	828,817	187,106	37,601	-	-	1,053,524
Intra segment	241,257	-	-	-	(241,257)	-
	<u>1,070,074</u>	<u>187,106</u>	<u>37,601</u>	<u>-</u>	<u>(241,257)</u>	<u>1,053,524</u>
Segment results						
Profit from operations	138,969	38,091	15,781	-	-	192,841
Finance costs	-	-	-	-	-	(51,355)
Share of profits of associates	-	-	-	12,057	-	12,057
Share of profits of jointly controlled entities	-	-	-	(192)	-	(192)
Taxation	-	-	-	-	-	(34,774)
Profit for the period						<u>118,577</u>
Profit attributable to :-						
Equity holders of the Company						114,479
Non-controlling interest						4,098
						<u>118,577</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 November 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

- (i) 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.
- (ii) On 9 October 2012, the Company disposed off two ordinary shares of RM1.00 each representing the entire issued and paid-up shares capital of WCT Holdings Sdn Bhd to Chong Kian Fah and Loh Chee Mun with one ordinary share each, for a total cash consideration of RM2.00 to facilitate the implementation of the Proposed Internal Reorganisation as detailed in Note B7 (iii).

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 November 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 RM836.101 million and RM26.148 million respectively provided by the Group to various parties in the ordinary course of business and tax matters under appeal amounting to RM3.2 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	210,208	35,489
Discharged/paid during the period	(297,612)	(9,341)
	836,101	26,148
Balance as at 16 November 2012	836,101	26,148

- (b) The tax matters under appeal of the Group totaling RM3.2 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	292
Land	284,497
Investment	475,764
Share of capital commitments of jointly controlled entities	37,871
	<u>798,424</u>

A15 Significant Related Party Transactions

	RM'000
<u>The Group</u>	
Rental of property paid to a Director of the Company	394
Sales of properties to a Director and persons connected with the Director	5,108
	<u>5,502</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 RM442 million and RM40 million respectively as compared to RM362 million and RM39 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 RM1,180 million and RM120 million respectively as compared to RM1,054 million and RM114 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 RM813 million (2011:RM829 million) and RM96 million (2011:RM139million) 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 RM367 million (2011:RM225 million) and RM95 million (2011:RM54 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 2% to 14.63 sen as compared to 14.29 sen recorded in the preceeding 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 RM442 million and RM40 million as compared to RM397 million and RM39 million reported in the immediate preceding quarter. The Group's revenue improved as a result of better performance from both the civil engineering and construction segment as well as the property development and investment segments.

B3 Profit for the period

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months period To 30.09.2012) RM'000	PRECEDING YEAR CORRESPONDING (3 months period To 30.09.2011) RM'000	CURRENT YEAR TO DATE (9 months period To 30.09.2012) RM'000	PRECEDING YEAR CORRESPONDING (9 months period To 30.09.2011) RM'000
Profit for the period is arrived at after crediting /(charging):				
Interest income	5,707	4,965	14,598	17,897
Interest expense	(19,155)	(16,037)	(49,937)	(51,355)
Depreciation and amortisation	(1,395)	(1,365)	(4,133)	(4,007)
Bad debts written off	(10)	-	(198)	(114)
Gain on disposal of property, plant and equipment	2,213	447	2,251	4,148
Gain on disposal of stock properties	-	390	156	725
Gain/(loss) on foreign exchange	(12,983)	(1,191)	(8,787)	(17,452)

B4 Prospect For Financial Year 2012

With the improved macro economic outlook and the launch 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 30.09.2012)	PRECEDING YEAR CORRESPONDING (3 months period To 30.09.2011)	CURRENT YEAR TO DATE (9 months period To 30.09.2012)	PRECEDING YEAR CORRESPONDING (9 months period To 30.09.2011)
	RM'000	RM'000	RM'000	RM'000
Taxation comprises:-				
Malaysia Tax				
- Current year	17,071	8,282	37,331	29,418
- Prior years	-	17	(1,922)	(712)
- Deferred taxation	1,311	3,729	5,730	6,068
	<u>18,382</u>	<u>12,028</u>	<u>41,139</u>	<u>34,774</u>

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 September 2012 is higher than the statutory tax rate mainly due to certain expenses not deductible for tax purposes and reduction in the income not subject to tax.

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 September 2011 is lower than the statutory tax rate mainly due to income of overseas operation which is not subjected to tax.

B7 Status of Corporate Proposals Announced

- (i) 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.

B7 Status of Corporate Proposals Announced (Cont'd)

- (ii) On 6 September 2012, the Board of Directors of the Company, announced that the Company proposes to undertake the following:-
- (a) a proposed bonus issue of up to 180,255,280 new ordinary shares of RM0.50 each in WCT ("Bonus Share(s)") to be credited as fully paid-up on the basis of three (3) Bonus Shares for every twenty (20) existing WCT Shares held on an entitlement date to be determined later ("Entitlement Date");
 - (b) a proposed bonus issue of up to 240,340,373 free warrants in WCT ("Warrant(s) D") on the basis of one (1) Warrant D for every five (5) WCT Shares held on the Entitlement Date;
 - (c) a propose increase in the authorised share capital of WCT from RM800,000,000 comprising 1,400,000,000 WCT Shares and 1,000,000,000 WCT Preference shares of RM0.10 each to RM1,100,000,000 comprising 2,000,000,000 WCT Shares and 1,000,000,000 WCT Preference Shares of RM0.10 each; and
 - (d) a proposed amendment to the Memorandum of Association of WCT

The abovementioned shall hereinafter be referred to as ("Proposals").

The shareholders of the Company have approved the Proposals at the extraordinary general meeting held on 21 November 2012.

- (iii) On 5 October 2012, the Board has announced a proposed internal reorganisation for the Company and its subsidiaries through the following:-
- (a) Proposed exchange of the securities of the WCT with securities in a new investment holding company, WCT Holdings Sdn Bhd (which will be converted into a public limited company) ("WCTH") via a members' scheme of arrangement under Section 176 of the Act which will entail the following:-
 - i. Proposed exchange of the entire issued and paid-up ordinary share capital of RM0.50 each in WCT ("WCT Share") for ordinary shares of RM0.50 each (after the proposed share split) in WCTH ("WCTH Share(s)") on the basis of one (1) new WCTH Share for every one (1) WCT Share held;
 - ii. Proposed exchange of the outstanding Warrants B in WCT for new Warrants B in WCTH ("WCTH Warrant(s) B") on the basis of one (1) WCTH Warrant B for every one (1) existing Warrant B held;
 - iii. Proposed exchange of the outstanding Warrants C in WCT for new Warrants C in WCTH ("WCTH Warrant(s) C") on the basis of one (1) WCTH Warrant C for every one (1) existing Warrant C held; and
 - iv. Proposed exchange of the proposed Warrants D in WCT with new Warrants D in WCTH ("WCTH Warrant(s) D") on the basis of one (1) WCTH Warrant D for every one (1) proposed Warrant D held;

B7 Status of Corporate Proposals Announced (Cont'd)

- (b) Proposed assumption of the listing status of WCT by WCTH and the admission of WCTH to the official list of Bursa Securities;
- (c) Proposed transfer of WCT's entire shareholding in WCT Land Sdn Bhd, its direct wholly-owned subsidiary, to WCTH;
- (d) Proposed termination of WCT's existing ESOS 2012/2022; and
- (e) Proposed establishment of a new employees' share option scheme for the eligible directors and employees of WCTH and its subsidiaries.

Save as disclosed above, the Group did not announce any corporate proposal which has not been completed as at 16 November 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 30.09.2012 RM'000	(Restated) As at 31.12.2011 RM'000
Total retained profits of the Company and its subsidiaries:-		
- Realised	1,040,956	1,123,479
- Unrealised	37,978	43,402
	1,078,934	1,166,881
Total share of retained profits from associated companies:-		
- Realised	81,928	68,832
- Unrealised	(358)	(359)
	81,570	68,473
Total share of retained profits / (loss) from jointly controlled entities:-		
- Realised	(51,776)	(53,657)
- Unrealised	(1,564)	(1,564)
	(53,340)	(55,221)
Less : Consolidation adjustment	(417,484)	(561,216)
Total Group retained profits as per consolidated accounts	689,680	618,917

B9 Group Borrowings And Debt Securities

Details of group borrowings are as follows:-

	As at 30.09.2012 RM'000	As at 31.12.2011 RM'000
Long Term Bank Borrowings		
<u>Secured:-</u>		
Long Term Loan	146,223	158,363
Hire Purchase Creditors	4,196	4,690
	150,419	163,053
<u>Unsecured:-</u>		
ICP/IMTN	300,000	100,000
SUKUK	-	96,194
BONDS	568,204	558,493
	868,204	754,687
	1,018,623	917,740
 Short Term Bank Borrowings		
<u>Secured :-</u>		
Hire Purchase Creditors	6,134	13,574
Revolving Credit	70,000	70,000
Term Loans	329,242	208,149
	405,376	291,723
<u>Unsecured :-</u>		
Bank Overdraft	4,546	10,636
Banker Acceptance	11,004	24,395
BAIDS	-	40,000
ICP/IMTN	100,000	-
SUKUK	98,501	99,305
	214,051	174,336
	619,427	466,059
	1,638,050	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, there are no material litigation pending since 31 December 2011 (being the date of the last annual statement of financial position) to 16 November 2012 (being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) in which the Group is engaged 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	-
<u>Dividend paid</u> For the period from 7 August 2011 to 6 August 2012 13.5% per ICPS of RM0.10 each	142	-
<u>Interim dividend paid</u> For the financial year ending 31 December 2012 Single tier dividend of 3.75 sen per ordinary share of RM0.50	30,858	-
 Total net dividend paid	 <u>61,777</u>	 <u>60,354</u>

B12 Earnings Per Share

	Reporting Quarter 30.09.2012	Current Year To Date 30.09.2012
(a) Basic Earnings Per Share		
Profit attributable to the equity holders of the parent (RM'000)	40,357	119,890
Weighted average number of ordinary shares in issue ('000)	822,203	819,652
Basic earnings per share (sen)	4.91	14.63
(b) Fully Diluted Earnings Per Share		
Profit attributable to the equity holders of the parent (RM'000)	40,357	119,890
Weighted average number of ordinary shares in issue ('000)	822,203	819,652
Effects of dilution:		
Share options ('000)	789	789
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	822,992	820,441
Fully diluted earnings per share (sen)	4.90	14.61

B13 Comparative Figures

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

Date: 21st November 2012