



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

**Date : 22 August 2013**

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2013**

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**Remark:**

The quarterly results for the financial period ended 30 June 2013 is announced under WCT Berhad Group as the Securities Exchange and Transfer Listing of WCT Holdings Berhad was completed on 8 July 2013 which was after the reporting period.

**WCT BERHAD**

(Company Number : 66538-K)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED INCOME STATEMENT FOR THE SECOND QUARTER ENDED 30 JUNE 2013**

( The figures have not been audited )

**CONSOLIDATED INCOME STATEMENT FOR THE SECOND QUARTER ENDED 30 JUNE 2013**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 30.06.2013) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 30.06.2012) RM'000	CURRENT YEAR TO DATE (6 months to 30.06.2013) RM'000	PRECEDING YEAR CORRESPONDING (6 months to 30.06.2012) RM'000
Revenue	482,517	396,813	973,462	738,383
Cost of sales	(414,607)	(328,039)	(814,114)	(595,236)
<b>Gross profit</b>	<b>67,910</b>	<b>68,774</b>	<b>159,348</b>	<b>143,147</b>
Other income	30,071	18,153	37,714	22,342
Other expenses	(5,226)	(10,298)	(11,891)	(14,617)
Administrative expenses	(17,355)	(17,175)	(33,700)	(29,223)
Finance costs	(15,933)	(15,386)	(30,608)	(30,782)
Share of profit after tax of associates	4,179	4,093	8,011	8,145
Share of profit after tax of joint venture	(70)	(248)	57	507
	<b>63,576</b>	<b>47,913</b>	<b>128,931</b>	<b>99,519</b>
Income tax expense	(10,070)	(10,930)	(33,593)	(22,757)
Profit for the period	<b>53,506</b>	<b>36,983</b>	<b>95,338</b>	<b>76,762</b>
Attributable to:				
Equity holders of the Company	56,678	39,499	99,860	79,533
Non-controlling interest	(3,172)	(2,516)	(4,522)	(2,771)
Profit for the period	<b>53,506</b>	<b>36,983</b>	<b>95,338</b>	<b>76,762</b>
Attributable to equity holders of the Company :				
Basic earnings per share (sen)	<u>5.19</u>	<u>4.17</u> *	<u>9.47</u>	<u>8.45</u> *
Fully diluted earnings per share (sen)	<u>5.04</u>	<u>4.07</u> *	<u>9.09</u>	<u>8.19</u> *

**WCT BERHAD**

(Company Number : 66538-K)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2013**

( The figures have not been audited )

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2013**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 30.06.2013) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 30.06.2012) RM'000	CURRENT YEAR TO DATE (6 months to 30.06.2013) RM'000	PRECEDING YEAR CORRESPONDING (6 months to 30.06.2012) RM'000
Profit for the period	53,506	36,983	95,338	76,762
Other comprehensive income/(loss):				
Currency translation differences arising from consolidation	(6,498)	18,261	(1,735)	(8,745)
Other comprehensive income/(loss) for the period, net of tax	(6,498)	18,261	(1,735)	(8,745)
Total comprehensive income/(loss) for the period	47,008	55,244	93,603	68,017
Total comprehensive income/(loss) for the period attributable to :				
Equity holders of the Company	49,604	48,960	96,858	71,310
Non-controlling interest	(2,596)	6,284	(3,255)	(3,293)
	47,008	55,244	93,603	68,017

(The consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 2013**

	AS AT CURRENT QUARTER 30.06.2013	AS AT FINANCIAL YEAR ENDED 31.12.2012
	UNAUDITED RM'000	AUDITED RM'000
<b>ASSETS</b>		
<b><u>Non-current assets</u></b>		
Property, plant and equipment	264,920	276,230
Land held for property development	694,849	388,471
Investment properties	591,577	1,311,523
Investment in associates	162,656	157,317
Investment in joint ventures	313,742	49,835
Other investments	9,721	9,721
Trade receivables	1 400,082	358,625
Other receivables	1 270,323	261,609
Due from related parties	24,556	23,731
Deferred tax assets	21,869	25,667
	<u>2,754,295</u>	<u>2,862,729</u>
<b><u>Current assets</u></b>		
Property development costs	246,704	313,710
Inventories	59,606	73,859
Trade receivables	740,754	706,355
Other receivables	190,915	270,779
Due from related parties	194,174	75,739
Tax recoverable	2,920	6,141
Cash and cash equivalents	1,090,895	1,077,715
	<u>2,525,968</u>	<u>2,524,298</u>
<b>TOTAL ASSETS</b>	<u>5,280,263</u>	<u>5,387,027</u>
<b>EQUITY AND LIABILITIES</b>		
<b><u>Equity attributable to equity</u></b>		
<b><u>holders of the Company</u></b>		
Share capital	546,091	475,820
Share premium	618,649	394,086
Reserves	966,932	940,551
	<u>2,131,672</u>	<u>1,810,457</u>
Non-controlling interest	53,703	56,958
<b>Total equity</b>	<u>2,185,375</u>	<u>1,867,415</u>

**WCT BERHAD**

(Company Number : 66538-K)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013 (Cont'd)**

		<b>AS AT CURRENT QUARTER 30.06.2013</b>	<b>AS AT FINANCIAL YEAR ENDED 31.12.2012</b>
		<b>UNAUDITED RM'000</b>	<b>AUDITED RM'000</b>
<b>EQUITY AND LIABILITIES (Cont'd)</b>			
<b><u>Long-term liabilities</u></b>			
Trade payables	2	60,040	66,618
Other payables	2	421,789	488,293
Borrowings		1,076,962	893,313
Deferred tax liabilities		41,559	41,527
		<u>1,600,350</u>	<u>1,489,751</u>
<b><u>Current liabilities</u></b>			
Trade payables		432,653	666,262
Other payables		275,077	417,100
Borrowings		752,545	930,715
Tax payable		34,263	15,784
		<u>1,494,538</u>	<u>2,029,861</u>
<b>Total Liabilities</b>		<u>3,094,888</u>	<u>3,519,612</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>5,280,263</u>	<u>5,387,027</u>
Net asset per share (RM)		1.95	1.90

(1) Included receivables of RM264 million in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecourse project.

(2) Included payables of RM264 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 2012 and the accompanying explanatory notes attached to the interim financial statements.)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2013

	← Atributable to Equity Holders of the Company →										Non-controlling interest	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 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
Profit for the period	-	-	-	-	-	(8,223)	-	-	-	-	79,533	(2,771)	(2,771)	76,762
Other comprehensive income/(loss)	-	-	-	-	-	(8,223)	-	-	-	-	-	(8,223)	(522)	(8,745)
Total comprehensive income 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
Dividends paid to shareholders	-	-	-	-	-	-	-	-	-	-	(30,777)	(30,777)	-	(30,777)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(61,423)	(61,423)
Share options vested under ESOS	-	-	-	-	-	-	-	5,840	-	-	-	5,840	-	5,840
Arising from share options exercised	7,645	-	22,669	-	-	-	-	-	-	-	-	30,314	-	30,314
Arising from conversion of CPIS	115	(115)	-	-	-	-	-	-	-	-	-	-	-	-
Arising from conversion of warrants	3	11	-	-	-	-	-	-	-	-	-	14	-	14
Transfer within reserve for ESOS exercised	-	-	9,861	-	-	-	-	(9,861)	-	-	-	-	-	-
Transfer within reserve for warrants exercised	-	-	2	(2)	(8)	-	-	(12,634)	-	-	12,642	-	-	-
Transfer to within reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2012	410,367	1,061	446,749	87,780	468	(98,528)	2,846	-	20,653	1,438	680,315	1,533,149	217,870	1,771,019
<i>Current year to date</i>														
At 1 January 2013	475,820	-	394,086	86,747	449	(110,020)	2,846	2,673	27,756	1,438	928,662	1,810,457	56,958	1,867,415
Profit for the period	-	-	-	-	-	-	-	-	-	-	99,860	(4,522)	(4,522)	95,338
Other comprehensive income/(loss)	-	-	-	-	-	(3,002)	-	-	-	-	-	(3,002)	1,267	(1,735)
Total comprehensive income/(loss) for the period	475,820	-	394,086	86,747	449	(113,022)	2,846	2,673	27,756	1,438	1,028,522	1,907,315	53,703	1,961,018
Dividends paid to shareholders	-	-	-	-	-	-	-	-	-	-	(34,667)	(34,667)	-	(34,667)
Arising from share options exercised	3,176	-	7,177	-	-	-	-	-	-	-	-	10,353	-	10,353
Arising from conversion of CPIS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Arising from conversion of warrants	67,095	-	181,576	-	-	-	-	-	-	-	-	248,671	-	248,671
Arising from bonus issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer within reserve for ESOS exercised	-	-	2,673	-	-	-	-	(2,673)	-	-	-	-	-	-
Transfer within reserve for warrants exercised	-	-	33,137	(33,137)	-	-	-	-	-	-	-	-	-	-
Transfer to within reserve	-	-	-	(578)	(52)	-	-	-	-	-	630	-	-	630
At 30 June 2013	546,091	-	618,649	53,032	397	(113,022)	2,846	-	27,756	1,438	994,485	2,131,672	53,703	2,185,375

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

**WCT BERHAD**

(Company Number : 66538-K)

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2013**

	UNAUDITED CUMULATIVE PERIOD CURRENT YEAR TO DATE 30.06.2013 RM'000	RESTATED CUMULATIVE PERIOD PRECEDING YEAR CORRESPONDING 30.06.2012 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	128,931	99,519
Adjustments for:-		
Non-cash items	(11,212)	11,552
Non-operating items - financing	16,995	21,892
Non-operating items - investing	(2,311)	(8,846)
Operating profit before working capital changes	132,403	124,117
Net changes in current assets	(250,919)	25,249
Net changes in current liabilities	(430,167)	(179,749)
Cash flows (used in)/generated from operations	(548,683)	(30,383)
Interest paid	(35,865)	(29,329)
Interest received	13,613	8,890
Taxation paid	(14,759)	(17,875)
Net cash (used in)/generated from operating activities	(585,694)	(68,697)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments in jointly controlled entities	(25,241)	-
Proceed from disposal of subsidiary	85,275	-
Property, plant and equipment	739	(4,881)
Properties	(1,106)	-
Withdrawal from redemption and FSRA accounts	-	(20,084)
Net cash generated from investing activities	59,667	(24,965)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceed from share options exercised	10,353	30,314
Proceed from conversion of warrants	248,671	14
Dividend paid to shareholders	(34,667)	(30,777)
Bank borrowings	312,290	189,599
Net cash generated from/(used in) financing activities	536,647	189,150
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD</b>	10,620	95,488
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	1,069,484	774,679
Foreign exchange differences	(3,159)	(9,923)
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD *</b>	<b>1,076,945</b>	<b>860,244</b>

\* 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 2012 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 2013**

**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 2012. 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 2012.

**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 2012, except for the adoption of the following new Financial Reporting Standards (“FRSs”), Amendments to FRSs and Interpretations with effect from 1 January 2013.

On 1 January 2013, the Group adopted the following FRSs where applicable:-

**FRSs, Amendments to FRSs and Interpretations**

FRS 13	Fair Value Measurement
FRS 119	Employee Benefits (Revised)
FRS 127	Separate Financial Statements (Revised)
FRS 128	Investment in Associates and Joint Ventures (Revised)
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards – Government Loans
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards – [Improvements to FRSs(2012)]
Amendments to FRS 7	Financial Instruments : Disclosure – Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 10	Consolidated Financial Statements : Transition Guidance



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

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

Amendments to FRS 12	Disclosures of Interests in Other Entities : Transition Guidance
Amendments to FRS 101	Presentation of Financial Statements [Improvements to FRS (2012)]
Amendments to FRS 116	Property, Plant and Equipment [Improvements to FRS (2012)]
Amendments to FRS 132	Financial Instruments : Presentation [Improvements to FRS (2012)]
Amendments to FRS 134	Interim Financial Reporting [Improvements to FRS (2012)]

The adoption of the above standards and interpretations did not have any financial impact to the Group.

### **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 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 2012.

**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 2013.

**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 2013.

**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 6,350,900 new ordinary shares of RM0.50 each pursuant to the exercise of the ESOS at the exercise price of RM1.63 per ordinary share.
- (b) Issuance of 133,136,905 new ordinary shares of RM0.50 each pursuant to the conversion of Warrants 2008/2013 at an exercise price of RM1.85 per ordinary share for cash.
- (c) Issuance of 1,000 new ordinary shares of RM0.50 each pursuant to the conversion of Warrants 2011/2016 at an exercise price of RM2.04 per ordinary share for cash.
- (d) Issuance of 1,051,824 new ordinary shares of RM0.50 each pursuant to the conversion of Warrants 2012/2017 at an exercise price of RM2.25 per ordinary share for cash.

**A8 Dividends**

Please refer to Explanatory Note B11.

**A9 Segmental Information**

	Civil engineering and construction RM'000	Property development RM'000	Property investment RM'000	Unallocated RM'000	Eliminations RM'000	Consolidated RM'000
<b>6 months period ended 30 June 2013</b>						
<b>Revenue</b>						
External	666,236	274,292	32,934	-	-	973,462
Inter segment	37,182	-	-	-	(37,182)	-
	<u>703,418</u>	<u>274,292</u>	<u>32,934</u>	<u>-</u>	<u>(37,182)</u>	<u>973,462</u>
<b>Segment results</b>						
Profit from operations	89,242	46,470	15,759	-	-	151,471
Finance costs	-	-	-	-	-	(30,608)
Share of profits of associates	-	-	-	8,011	-	8,011
Share of profits of joint ventures	-	-	57	-	-	57
Taxation						(33,593)
Profit for the period						<u>95,338</u>
Profit attributable to :-						
Equity holders of the Company						99,860
Non-controlling interest						(4,522)
						<u>95,338</u>
<b>6 months period ended 30 June 2012</b>						
<b>Revenue</b>						
External	539,273	166,310	32,800	-	-	738,383
Inter 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>
<b>Segment results</b>						
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 joint ventures	-	-	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>

**A10 Carrying Amount Of Revalued Assets**

The valuations of investment properties and property, plant and equipment have been brought forward without amendment from the audited financial statements for the financial year ended 31 December 2012.

**A11 Subsequent Material Events**

There were no material events subsequent to the reporting period up to 16 August 2013 (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 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 was completed on 6 February 2013 and Timor Barat has become a wholly-owned subsidiary of WCTL.

On 22 April 2013, Iris Green Sdn Bhd and Timor Barat changed their names to WCT Premier Development Sdn Bhd and WCT OUG Development Sdn Bhd respectively.

- (ii) On 29 January 2013, WCTL, a wholly-owned subsidiary of the Company disposed 48,000,000 ordinary shares of RM1.00 each in Jelas Puri Sdn. Bhd. ("JPSB"), representing 30% of the enlarged issued and paid-up share capital of JPSB to Employees Provident Fund Board for a total cash consideration of RM87.36 million. With the completion of the disposal, JPSB has become a jointly controlled entity of WCTL.

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

Details of the disposal were as follows:

	At date of disposal RM'000
Property, plant and equipment	1,074
Investment properties	213,615
Land held for property development	50,610
Deferred taxation	4,282
Property development cost	10,967
Trade and other receivables	1,703
Cash and cash equivalents	2,085
Amount due to related parties	(89,867)
Trade and other payables	(5,953)
Term loan	(96,000)
Net assets	<u>92,516</u>
Net disposals proceeds	<u>(87,360)</u>
Loss on disposal to the Group	<u>5,156</u>

The net cash flows on disposal was determined as follows:

Total proceeds from disposal – cash consideration	87,360
Cash and cash equivalents of subsidiary disposed of	<u>(2,085)</u>
Cash inflow to the Group on disposal	<u>85,275</u>

- (iii) On 30 January 2013, WCT Oman Roads LLC (“WCT Oman Roads”), a 60% owned subsidiary was incorporated in the Sultanate of Oman. The remaining 40% equity interest in WCT Oman Roads is held by Oman Roads Engineering Company L.L.C. (Licence No. 1059117), a limited liability company incorporated in the Sultanate of Oman.

The principal activity of WCT Oman Roads will be in the road construction sector (including roads, bridges and tunnels) in the Sultanate of Oman.

The issued and paid-up share capital of WCT Oman Roads is Omani Riyal (OR) 150,000/= divided into 150,000 ordinary shares of OR1.00 each. The Company has subscribed and paid for its portion of the initial capital of OR90,000 (approximately RM719,998).

- (iv) On 8 July 2013, the exchange of securities between the Company and WCT Holdings Berhad pertaining to the proposed internal reorganisation exercised was completed and the Company is now a wholly-owned subsidiary of WCT Holdings Berhad.

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 August 2013 (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 RM747.4 million and RM25.6 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 19 February 2013 are as follows:-

(a)	Bank Guarantees RM'000	Letter of credit RM'000
Balance as at 19 February 2013	858,526	18,622
Extended/utilised during the period	61,309	14,349
Discharged/paid during the period	<u>(172,437)</u>	<u>(7,354)</u>
Balance as at 16 August 2013	<u>747,398</u>	<u>25,617</u>

(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	333
Land	161,385
Investment	73,004
	<u>234,722</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 Directors and persons connected with the Directors	16,786
	<u>17,049</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 RM483 million and RM57 million respectively as compared to RM397 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 RM973 million and RM100 million respectively as compared to RM738 million and RM80 million respectively in the preceding year corresponding period.

Civil engineering and construction segment recorded revenue and operational profit of RM666 million (2012:RM539 million) and RM89 million (2012:RM78 million) respectively. The increase in operating profit is attributable to higher contribution from local division.

Property development and investment segments registered revenue and operational profit of RM307 million (2012:RM199 million) and RM62 million (2012:RM44 million) respectively. The increase in revenue and operational profit is due to higher sales recorded from property launches.

Basic earning per share for current year to date improved by approximately 12% to 9.47 sen as compared to 8.45 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 RM483 million and RM57 million as compared to RM491 million and RM43 million reported in the immediate preceding quarter.

**B3 Profit for the period**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months period To 30.06.2013) RM'000	PRECEDING YEAR CORRESPONDING (3 months period To 30.06.2012) RM'000	CURRENT YEAR TO DATE (6 months period To 30.06.2013) RM'000	PRECEDING YEAR CORRESPONDING (6 months period To 30.06.2012) RM'000
Profit for the period is arrived at after crediting /(charging):				
Interest income	9,164	4,168	13,613	8,891
Interest expense	(15,933)	(15,386)	(30,608)	(30,782)
Depreciation and amortisation	(1,505)	(1,450)	(2,875)	(2,738)
Bad debts written off	(617)	(188)	(639)	(188)
Gain on disposal of property, plant and equipment	554	4	681	38
Gain on disposal of stock properties	529	150	618	156
Gain/(loss) on foreign exchange	10,741	10,366	17,306	4,196

**B4 Prospect For Financial Year 2013**

With the continuous implementation of Economic Transformation Programme by the Malaysian government, the Group is confident to achieve satisfactory results for the financial year ending 31 December 2013.

**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 30.06.2013)	PRECEDING YEAR CORRESPONDING (3 months period To 30.06.2012)	CURRENT YEAR TO DATE (6 months period To 30.06.2013)	PRECEDING YEAR CORRESPONDING (6 months period To 30.06.2012)
	RM'000	RM'000	RM'000	RM'000
Taxation comprises:-				
Malaysia Tax				
- Current year	13,675	14,675	33,012	20,260
- Prior year	-	(1,922)	-	(1,922)
- Deferred taxation	(3,605)	(1,823)	581	4,419
	10,070	10,930	33,593	22,757

The Group's effective tax rate (excluding the results of associates and joint ventures which are equity accounted net of tax) for the current quarter ended 30 June 2013 is lower than the statutory tax rate mainly due to unrealized foreign exchange gain which is not subject to income tax.

The Group's effective tax rate (excluding the results of associates and joint ventures which are equity accounted net of tax) for the cumulative period ended 30 June 2013 is higher than the statutory tax rate mainly due to certain expenses not deductible for tax purposes.

The Group's effective tax rate (excluding the results of associates and joint ventures which are equity accounted net of tax) for the corresponding quarter ended 30 June 2012 is about the same as the statutory tax rate.

**B7 Status of Corporate Proposals Announced**

On 5 October 2012, the Board announced a proposed internal reorganisation for the Company and its subsidiaries through the following:-

- (a) Proposed exchange of the securities ("Proposed Securities Exchange") 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;

**B7 Status of Corporate Proposals Announced (Cont'd.)**

- 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;
- (b) Proposed assumption of the listing status of WCT by WCTH and the admission of WCTH to the official list of Bursa Securities ("Proposed Transfer Listing");
  - (c) Proposed transfer of WCT's entire shareholding in WCT Land Sdn Bhd, its direct wholly-owned subsidiary, to WCTH ("WCT Land Transfer");
  - (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.

The Securities Commission ("SC") had vide its letter dated 19 December 2012 approved the Proposed Securities Exchange and the Proposed Transfer Listing subject to the Joint Advisers/the Company complying with the relevant requirements pertaining to the implementation of the Proposals as stipulated under the SC's Equity Guidelines

At the Extraordinary General Meeting and Court Convened Meeting held on 26 April 2013, approval had been obtained from both shareholders and warrant holders for the implementation of the scheme of arrangement under Section 176(1) of the Act in relation to the Proposed Shares Exchange and Proposed Transfer Listing.

The High Court of Malaya had on 29 May 2013 granted WCT an order approving and sanctioning the Scheme of Arrangement pursuant to Section 176 of the Companies Act, 1965.

On 8 July 2013, WCTH's entire issued and paid up share capital of RM546,090,558 comprising 1,092,181,116 ordinary shares of RM0.50 each together with 157,014,351 warrants 2013/2016 ("Warrant C") and 163,777,448 warrants 2013/2017 ("Warrants D") were admitted to the Official Lists of Bursa Securities in place of WCT which was delisted.

On 9 July 2013, WCT and WCTH have entered into a sale and purchase agreement in relation to the WCT Land Transfer. The completion of the WCT Land transfer shall take place on a date which is two (2) days from the date of receipt by WCTH of a certificate issued by the Collector granting an exemption of stamp duty or on such other date as WCTH and WCT may agree in writing.

The ESOS of WCT was terminated on 1 July 2013, and a new ESOS under WCTH has taken effect commencing from 19 July 2013.

Save as disclosed above, the Group did not announce any corporate proposal which has not been completed as at 16 August 2013 (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 30.06.2013 RM'000	As at 31.12.2012 RM'000
Total retained profits of the Company and its subsidiaries:-		
- Realised	1,049,968	947,281
- Unrealised	50,412	239,353
	<u>1,100,380</u>	<u>1,186,634</u>
Total share of retained profits/(losses) from associates:-		
- Realised	93,605	85,610
- Unrealised	(326)	(342)
	<u>93,279</u>	<u>85,268</u>
Total share of retained profits/(losses) from jointly controlled entities:-		
- Realised	(91,436)	(64,585)
- Unrealised	136,434	(1,564)
	<u>44,998</u>	<u>(66,149)</u>
Less : Consolidation adjustment	<u>(244,172)</u>	<u>(277,091)</u>
Total Group retained profits as per consolidated accounts	<u>994,485</u>	<u>928,662</u>

**B9 Group Borrowings And Debt Securities**

Details of group borrowings are as follows:-

	As at 30.06.2013 RM'000	As at 31.12.2012 RM'000
<b>Long Term Bank Borrowings</b>		
<u>Secured:-</u>		
Long Term Loan	293,985	311,985
Hire Purchase Creditors	1,421	3,220
	295,406	315,205
<u>Unsecured:-</u>		
MTN	500,000	-
IMTN	-	300,000
BONDS	281,556	278,108
	781,556	578,108
	1,076,962	893,313
<b>Short Term Bank Borrowings</b>		
<u>Secured :-</u>		
Hire Purchase Creditors	3,933	4,172
Revolving Credit	70,000	70,000
Term Loans	70,713	348,190
	144,646	422,362
<u>Unsecured :-</u>		
BONDS	296,709	293,399
Bank Overdraft	11,190	5,471
Banker Acceptance	-	10,195
IMTN	300,000	100,000
SUKUK	-	99,288
	607,899	508,353
	752,545	930,715
	1,829,507	1,824,028

Key :   SUKUK -   Islamic Serial Redeemable Bonds  
           BONDS -   Serial Fixed Rate Bonds  
           MTN -    Medium Term Notes  
           IMTN -   Islamic Medium Term Notes

## **B10 Material Litigation**

Except as disclosed below, there are no material litigation pending since 31 December 2012 (being the date of the last annual statement of financial position) to 16 August 2013 (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.

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 had 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. On 26 February 2013, the Dubai Court dismissed the Civil Suit on the grounds that the DIAC Case No. 02/2009 had not expired by effluxion of time and in view of the valid and binding arbitration agreement between the parties. The Employer had on 24 March 2013 filed a notice of appeal against the dismissal of the Civil Suit.

On 27 February 2013, WCT was informed by Arabtec that its board of directors has agreed to the Employer’s proposal (“Proposal”) for Arabtec and the Employer to withdraw all pending legal cases as between themselves without prejudice to their respective rights and proceed with negotiations for an amicable settlement. Pursuant thereto, Arabtec and the Employer has since withdrawn their respective claims and counterclaims as against themselves, from the DIAC Case 2/2009.

The Company is, based on continuing legal opinion received, of the view that notwithstanding Arabtec’s withdrawal, WCT’s chances of success in the arbitration proceedings remain good.

**B11 Dividends**

	PAID in Year Ending 31 Dec 2013	PAID in Year Ended 31 Dec 2012
	RM'000	RM'000
<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 ended 31 December 2012		
Single tier dividend of 3.75 sen per ordinary share of RM0.50	-	30,858
<u>Interim dividend paid</u>		
For the financial year ending 31 December 2013		
Single tier dividend of 3.25 sen per ordinary share of RM0.50	34,667	-
 Total net dividend paid	 <u>34,667</u>	 <u>61,777</u>

On 22 August 2013, the Directors declared an interim single tier dividend of 3.5 sen per ordinary share of RM0.50.

The entitlement date for the interim dividend is fixed on 12 September 2013 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 12 September 2013 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 26 September 2013.

**B12 Earnings Per Share**

	<b>Reporting Quarter/ 30.06.2013</b>	<b>Current Year To Date 30.06.2013</b>
<b>(a) Basic Earnings Per Share</b>		
Profit attributable to the equity holders of the parent (RM'000)	56,678	99,860
Weighted average number of ordinary shares in issue ('000)	1,092,181	1,054,172
Basic earnings per share (sen)	5.19	9.47
<b>(b) Fully Diluted Earnings Per Share</b>		
Profit attributable to the equity holders of the parent (RM'000)	56,678	99,860
Weighted average number of ordinary shares in issue ('000)	1,092,181	1,054,172
Effects of dilution:		
Share options ('000)	71	655
Warrants ('000)	31,478	43,915
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,123,730	1,098,742
Fully diluted earnings per share (sen)	5.04	9.09

**B13 Comparative Figures**

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

**Date: 22<sup>nd</sup> August 2013**