



WCT HOLDINGS BERHAD
(Company Number : 930464-M)
(Incorporated in Malaysia)

Date : 21 November 2013

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL
PERIOD ENDED 30 SEPTEMBER 2013**

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WCT HOLDINGS BERHAD

(Company Number : 930464-M)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2013**

(The figures have not been audited)

CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 30.09.2013) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 30.09.2012) RM'000	CURRENT YEAR TO DATE (9 months to 30.09.2013) RM'000	PRECEDING YEAR CORRESPONDING (9 months to 30.09.2012) RM'000
Revenue	418,508	441,799	1,391,970	1,180,182
Cost of sales	(330,958)	(344,938)	(1,145,072)	(940,173)
Gross profit	87,550	96,861	246,898	240,009
Other income	9,218	(3,914)	46,932	18,428
Other expenses	(5,814)	(6,771)	(17,705)	(21,388)
Administrative expenses	(17,285)	(15,853)	(50,985)	(45,077)
Finance costs	(17,089)	(19,155)	(47,697)	(49,937)
Share of profit after tax of associates	2,126	4,951	10,137	13,096
Share of profit after tax of joint venture	1,188	(533)	1,245	(26)
	59,894	55,586	188,825	155,105
Income tax expense	(19,341)	(18,382)	(52,934)	(41,139)
Profit for the period	40,553	37,204	135,891	113,966
Attributable to:				
Equity holders of the Company	41,329	40,357	141,189	119,890
Non-controlling interest	(776)	(3,153)	(5,298)	(5,924)
Profit for the period	40,553	37,204	135,891	113,966
Attributable to equity holders of the Company :				
Basic earnings per share (sen)	3.78	4.27 *	13.23	12.72 *
Fully diluted earnings per share (sen)	3.66	4.13 *	12.65	12.25 *

(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.)

* Computed based on the number of share capital which were adjusted for the proportionate change in the number as if the bonus shares and warrants were issued on 1 January 2012.

WCT HOLDINGS BERHAD

(Company Number : 930464-M)

INTERIM FINANCIAL REPORT ON CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013

(The figures have not been audited)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 30.09.2013) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 30.09.2012) RM'000	CURRENT YEAR TO DATE (9 months to 30.09.2013) RM'000	PRECEDING YEAR CORRESPONDING (9 months to 30.09.2012) RM'000
Profit for the period	40,553	37,204	135,891	113,966
Other comprehensive income/(loss):				
Currency translation differences arising from consolidation	5,093	(17,013)	3,358	(25,758)
Other comprehensive income/(loss) for the period, net of tax	5,093	(17,013)	3,358	(25,758)
Total comprehensive income/(loss) for the period	45,646	20,191	139,249	88,208
Total comprehensive income/(loss) for the period attributable to :				
Equity holders of the Company	45,405	31,465	142,263	102,775
Non-controlling interest	241	(11,274)	(3,014)	(14,567)
	45,646	20,191	139,249	88,208

(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 HOLDINGS BERHAD
(Company Number : 930464-M)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2013

	AS AT CURRENT QUARTER 30.09.2013	AS AT FINANCIAL YEAR ENDED 31.12.2012
	UNAUDITED RM'000	AUDITED RM'000
ASSETS		
<u>Non-current assets</u>		
Property, plant and equipment	259,620	276,230
Land held for property development	861,358	388,471
Investment properties	594,029	1,311,523
Investment in associates	162,824	157,317
Investment in joint ventures	314,929	49,835
Other investments	9,721	9,721
Trade receivables	1 409,267	358,625
Other receivables	1 275,970	261,609
Due from related parties	25,509	23,731
Deferred tax assets	23,231	25,667
	<u>2,936,458</u>	<u>2,862,729</u>
<u>Current assets</u>		
Property development costs	235,014	313,710
Inventories	55,821	73,859
Trade receivables	694,310	706,355
Other receivables	198,446	270,779
Due from related parties	209,923	75,739
Tax recoverable	-	6,141
Cash and cash equivalents	1,442,954	1,077,715
	<u>2,836,468</u>	<u>2,524,298</u>
TOTAL ASSETS	<u>5,772,926</u>	<u>5,387,027</u>
EQUITY AND LIABILITIES		
<u>Equity attributable to equity</u>		
<u>holders of the Company</u>		
Share capital	546,169	475,820
Share premium	2,174,026	394,086
Internal reorganisation reserve	(1,555,102)	-
Reserves	974,101	940,551
	<u>2,139,194</u>	<u>1,810,457</u>
Non-controlling interest	53,944	56,958
Total equity	<u>2,193,138</u>	<u>1,867,415</u>

WCT HOLDINGS BERHAD

(Company Number : 930464-M)

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

		AS AT CURRENT QUARTER 30.09.2013	AS AT FINANCIAL YEAR ENDED 31.12.2012
		UNAUDITED RM'000	AUDITED RM'000
EQUITY AND LIABILITIES (Cont'd)			
<u>Long-term liabilities</u>			
Trade payables	2	81,834	66,618
Other payables	2	405,592	488,293
Borrowings		1,562,667	893,313
Deferred tax liabilities		42,827	41,527
		<u>2,092,920</u>	<u>1,489,751</u>
<u>Current liabilities</u>			
Trade payables		377,642	666,262
Other payables		419,494	417,100
Borrowings		654,044	930,715
Tax payable		35,688	15,784
		<u>1,486,868</u>	<u>2,029,861</u>
Total Liabilities		<u>3,579,788</u>	<u>3,519,612</u>
TOTAL EQUITY AND LIABILITIES		<u>5,772,926</u>	<u>5,387,027</u>
Net asset per share (RM)		1.96	1.90

(1) Included receivables of RM269 million in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecourse project.

(2) Included payables of RM269 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 THIRD QUARTER ENDED 30 SEPTEMBER 2013

	Attributable to Equity Holders of the Company										Total equity		
	Non-Distributable					Distributable							
	Share capital	Preference Shares	Share premium	Internal reorganisation reserve	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
Profit for the period	-	-	-	-	-	-	(17,115)	-	-	-	-	119,890	119,890
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-	-	-	-	(5,924)	(5,924)
Total comprehensive income 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	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)	(16)	-	-	-	-	-	-	-
Transfer to within reserve	-	-	-	-	-	-	-	-	(12,634)	-	-	12,650	-
At 30 September 2012	411,502	-	447,078	-	87,780	460	(107,420)	2,846	1,549	20,653	1,438	689,680	1,558,566
206,355													
1,761,921													
<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
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	141,189	141,189
Other comprehensive income/(loss)	-	-	-	-	-	-	1,074	-	-	-	-	1,074	1,074
Total comprehensive income/(loss) for the period	475,820	-	394,086	-	86,747	449	(108,946)	2,846	2,673	27,756	1,438	1,069,851	1,952,720
Dividends paid to shareholders	-	-	-	-	-	-	-	-	-	-	-	(72,898)	(72,898)
Arising from share options exercised	3,176	-	7,176	-	-	-	-	-	-	-	-	10,352	10,352
Arising from conversion of ICPs	67,173	-	181,847	-	-	-	-	-	-	-	-	249,020	249,020
Arising from conversion of warrants	-	-	1,555,102	(1,555,102)	-	-	-	-	(2,673)	-	-	-	-
Arising from internal reorganisation	-	-	2,673	-	(33,142)	(66)	-	-	-	-	-	-	-
Transfer within reserve for ESOS exercised	-	-	53,142	-	(578)	(66)	-	-	-	-	-	644	-
Transfer within reserve for warrants exercised	-	-	-	-	-	-	-	-	-	-	-	-	-
At 30 September 2013	546,169	-	2,174,026	(1,555,102)	53,027	383	(108,946)	2,846	-	27,756	1,438	997,597	2,139,194
53,944													
2,193,138													

(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 HOLDINGS BERHAD
(Company Number : 930464-M)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013

	UNAUDITED CUMULATIVE PERIOD CURRENT YEAR TO DATE 30.09.2013 RM'000	RESTATED CUMULATIVE PERIOD PRECEDING YEAR CORRESPONDING 30.09.2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	188,825	155,105
Adjustments for:-		
Non-cash items	(11,982)	32,759
Non-operating items - financing	24,233	35,339
Non-operating items - investing	(12,196)	(15,608)
Operating profit before working capital changes	<u>188,880</u>	<u>207,595</u>
Net changes in current assets	(484,947)	(155,326)
Net changes in current liabilities	(235,210)	(39,253)
Cash flows (used in)/generated from operations	<u>(531,277)</u>	<u>13,016</u>
Interest paid	(40,092)	(46,263)
Interest received	23,123	14,598
Taxation paid	(30,039)	(28,530)
Net cash used in operating activities	<u>(578,285)</u>	<u>(47,179)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments in jointly controlled entities	(25,241)	-
Proceed from disposal of subsidiary Property, plant and equipment	85,275	-
Properties	29	(2,795)
Withdrawal from redemption and FSRA accounts	(3,558)	-
	-	1,927
Net cash generated from/(used in) investing activities	<u>56,505</u>	<u>(868)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from share options exercised	10,352	30,636
Proceed from conversion of warrants	249,020	16
Dividend paid to shareholders	(72,898)	(61,777)
Bank borrowings	707,247	243,517
Net cash generated from financing activities	<u>893,721</u>	<u>212,392</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	371,941	164,345
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	1,069,484	774,679
Foreign exchange differences	(1,235)	(25,676)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD *	<u>1,440,190</u>	<u>913,348</u>

* 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 HOLDINGS BERHAD (“WCT” OR “THE COMPANY”) (66538-K)
QUARTERLY UNAUDITED RESULTS OF THE GROUP FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 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 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 3 years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.

The Group falls within the scope definition of Transitioning Entities and have opt to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS framework in its first MFRS financial statements for the year ending 31 December 2015. 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 2015.

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 September 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 September 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 15,000 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 1,193,940 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
9 months period ended 30 September 2013						
Revenue						
External	935,490	409,532	46,948	-	-	1,391,970
Inter segment	142,718	-	-	-	(142,718)	-
	<u>1,078,208</u>	<u>409,532</u>	<u>46,948</u>	<u>-</u>	<u>(142,718)</u>	<u>1,391,970</u>
Segment results						
Profit from operations	121,847	81,513	21,780	-	-	255,140
Finance costs	-	-	-	-	-	(47,697)
Share of profits of associates	-	-	-	10,137	-	10,137
Share of profits of joint ventures	-	(3,805)	5,050	-	-	1,245
Taxation	-	-	-	-	-	(52,934)
Profit for the period						<u>135,891</u>
Profit attributable to :-						
Equity holders of the Company						141,189
Non-controlling interest						(5,298)
						<u>135,891</u>
9 months period ended 30 September 2012						
Revenue						
External	813,134	310,282	56,766	-	-	1,180,182
Inter 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 joint ventures	-	-	(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>

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 15 November 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 of WCT Berhad, which in turn is a wholly-owned subsidiary of the Company, 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 Berhad (“WCTB”) pertaining to the proposed internal reorganisation was completed and WCTB is now a wholly-owned subsidiary of the Company.
- (v) On 12 September 2013, pertaining to the proposed internal reorganisation, WCTB’s entire shareholding in WCTL was transferred to the Company and WCTL is now a direct wholly-owned subsidiary of the Company.

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

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 15 November 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 RM752.0 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 RM3.1 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	96,166	14,315
Discharged/paid during the period	(202,725)	(7,379)
	751,967	25,558
Balance as at 15 November 2013	751,967	25,558

(b) The tax matters under appeal of the Group totaling RM3.1 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	408
Land	153,634
Investment	74,546
	228,588

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 Directors and persons connected with the Directors	18,086
Purchase of properties from a Director of the Company	8,350

26,830

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 RM419 million and RM41 million respectively as compared to RM442 million and RM40 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 RM1,392 million and RM141 million respectively as compared to RM1,180 million and RM120 million respectively in the preceding year corresponding period.

Civil engineering and construction segment recorded revenue and operational profit of RM935 million (2012:RM813 million) and RM122 million (2012:RM96 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 RM456 million (2012:RM367 million) and RM103 million (2012:RM95 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 4% to 13.23 sen as compared to 12.72 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 RM419 million and RM41 million as compared to RM483 million and RM57 million reported in the immediate preceding quarter.

B3 Profit for the period

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months period To 30.09.2013) RM'000	PRECEDING YEAR CORRESPONDING (3 months period To 30.09.2012) RM'000	CURRENT YEAR TO DATE (9 months period To 30.09.2013) RM'000	PRECEDING YEAR CORRESPONDING (9 months period To 30.09.2012) RM'000
Profit for the period is arrived at after crediting /(charging):				
Interest income	9,510	5,708	23,123	14,598
Interest expense	(17,089)	(19,155)	(47,697)	(49,937)
Depreciation and amortisation	(2,207)	(1,395)	(5,082)	(4,133)
Bad debts written off	(1,519)	(10)	(8,576)	(198)
Gain on disposal of property, plant and equipment	(576)	2,213	105	2,251
Gain on disposal of stock properties	91	-	709	156
Gain/(loss) on foreign exchange	2,903	(12,983)	20,209	(8,787)

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 30.09.2013)	PRECEDING YEAR CORRESPONDING (3 months period To 30.09.2012)	CURRENT YEAR TO DATE (9 months period To 30.09.2013)	PRECEDING YEAR CORRESPONDING (9 months period To 30.09.2012)
	RM'000	RM'000	RM'000	RM'000
Taxation comprises:-				
Malaysia Tax				
- Current year	18,741	17,071	51,753	37,331
- Prior year	883	-	883	(1,922)
- Deferred taxation	(283)	1,311	298	5,730
	19,341	18,382	52,934	41,139

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 and cumulative period ended 30 September 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 and cumulative period ended 30 September 2012 is higher than the statutory tax rate mainly due to certain expenses not deductible for tax purposes.

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 and the said Transfer was completed on 12 September 2013.

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 15 November 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 30.09.2013 RM'000	As at 31.12.2012 RM'000
Total retained profits of the Company and its subsidiaries:-		
- Realised	1,088,561	947,281
- Unrealised	51,728	239,353
	<u>1,140,289</u>	<u>1,186,634</u>
Total share of retained profits/(losses) from associates:-		
- Realised	95,721	85,610
- Unrealised	(316)	(342)
	<u>95,405</u>	<u>85,268</u>
Total share of retained profits/(losses) from jointly controlled entities:-		
- Realised	(78,347)	(64,585)
- Unrealised	135,658	(1,564)
	<u>57,311</u>	<u>(66,149)</u>
Less : Consolidation adjustment	<u>(295,408)</u>	<u>(277,091)</u>
Total Group retained profits as per consolidated accounts	<u>997,597</u>	<u>928,662</u>

B9 Group Borrowings And Debt Securities

Details of group borrowings are as follows:-

	As at 30.09.2013 RM'000	As at 31.12.2012 RM'000
Long Term Bank Borrowings		
<u>Secured:-</u>		
Long Term Loan	279,000	311,985
Hire Purchase Creditors	359	3,220
	<u>279,359</u>	<u>315,205</u>
<u>Unsecured:-</u>		
MTN	1,000,000	-
IMTN	-	300,000
BONDS	283,308	278,108
	<u>1,283,308</u>	<u>578,108</u>
	<u>1,562,667</u>	<u>893,313</u>
Short Term Bank Borrowings		
<u>Secured :-</u>		
Hire Purchase Creditors	3,739	4,172
Revolving Credit	-	70,000
Term Loans	12,000	348,190
	<u>15,739</u>	<u>422,362</u>
<u>Unsecured :-</u>		
BONDS	298,391	293,399
Bank Overdraft	4	5,471
Banker Acceptance	-	10,195
IMTN	300,000	100,000
SUKUK	-	99,288
Term loan	39,910	-
	<u>638,305</u>	<u>508,353</u>
	<u>654,044</u>	<u>930,715</u>
	<u>2,216,711</u>	<u>1,824,028</u>

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 15 November 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. 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, the Company 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 arbitration proceedings continues as between the Company and the Employer and the said arbitration proceedings are presently still pending.

The Company is, based on continuing legal opinion received, of the view that notwithstanding Arabtec’s withdrawal, the Company’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	-
- Single tier dividend of 3.5 sen per ordinary share of RM0.50	38,231	-
Total net dividend paid	<u>72,898</u>	<u>61,777</u>

B12 Earnings Per Share

	Reporting Quarter/ 30.09.2013	Current Year To Date 30.09.2013
(a) Basic Earnings Per Share		
Profit attributable to the equity holders of the parent (RM'000)	41,329	141,189
Weighted average number of ordinary shares in issue ('000)	1,092,232	1,066,998
Basic earnings per share (sen)	3.78	13.23
(b) Fully Diluted Earnings Per Share		
Profit attributable to the equity holders of the parent (RM'000)	41,329	141,189
Weighted average number of ordinary shares in issue ('000)	1,092,232	1,066,998
Effects of dilution:		
Share options ('000)	1,059	1,728
Warrants ('000)	34,447	47,326
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,127,738	1,116,052
Fully diluted earnings per share (sen)	3.66	12.65

B13 Comparative Figures

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

Date: 21st November 2013