



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

Date : 25 February 2014

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL
PERIOD ENDED 31 DECEMBER 2013**

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WCT HOLDINGS BERHAD

(Company Number : 930464-M)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED INCOME STATEMENT FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2013**

(The figures have not been audited)

CONSOLIDATED INCOME STATEMENT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 31.12.2013) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 31.12.2012) RM'000	CURRENT YEAR TO DATE (12 months to 31.12.2013) RM'000	PRECEDING YEAR CORRESPONDING (12 months to 31.12.2012) RM'000
Revenue	280,384	380,172	1,672,354	1,560,354
Cost of sales	(247,279)	(297,170)	(1,392,351)	(1,237,343)
Gross profit	33,105	83,002	280,003	323,011
Other income	93,507	226,199	140,439	244,627
Other expenses	(25,551)	(6,918)	(43,256)	(28,306)
Administrative expenses	(23,528)	(26,476)	(74,513)	(71,553)
Finance costs	(19,934)	(18,947)	(67,631)	(68,884)
Share of profit after tax of associates	1,987	3,699	12,124	16,795
Share of profit/ (loss) after tax of joint ventures	5,832	(720)	7,077	(746)
	65,418	259,839	254,243	414,944
Income tax expense	(11,558)	(28,102)	(64,492)	(69,241)
Profit for the period	53,860	231,737	189,751	345,703
Attributable to:				
Equity holders of the Company	56,359	238,971	197,548	358,861
Non-controlling interest	(2,499)	(7,234)	(7,797)	(13,158)
Profit for the period	53,860	231,737	189,751	345,703
Attributable to equity holders of the Company :				
Basic earnings per share (sen)	5.16	25.27 *	18.40	38.01 *
Fully diluted earnings per share (sen)	5.01	24.31 *	17.65	36.34 *

(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 FOURTH QUARTER ENDED 31 DECEMBER 2013
(The figures have not been audited)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 31.12.2013) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 31.12.2012) RM'000	CURRENT YEAR TO DATE (12 months to 31.12.2013) RM'000	PRECEDING YEAR CORRESPONDING (12 months to 31.12.2012) RM'000
Profit for the period	53,860	231,737	189,751	345,703
Other comprehensive income/(loss):				
Currency translation differences arising from consolidation	5,779	(1,763)	9,137	(27,521)
Revaluation (decrease)/increase of freehold land and building	(27)	7,103	(27)	7,103
Other comprehensive income/(loss) for the period, net of tax	5,752	5,340	9,110	(20,418)
Total comprehensive income for the period	59,612	237,077	198,861	325,285
Total comprehensive income/(loss) for the period attributable to :				
Equity holders of the Company	61,501	243,474	203,764	346,249
Non-controlling interest	(1,889)	(6,397)	(4,903)	(20,964)
	59,612	237,077	198,861	325,285

(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 31 DECEMBER 2013

	AS AT CURRENT QUARTER 31.12.2013	AS AT FINANCIAL YEAR ENDED 31.12.2012
	UNAUDITED RM'000	AUDITED RM'000
ASSETS		
<u>Non-current assets</u>		
Property, plant and equipment	271,650	276,230
Land held for property development	640,379	388,471
Investment properties	653,006	1,311,523
Investment in associates	127,584	157,317
Investment in joint ventures	315,694	49,835
Other investments	-	9,721
Trade receivables	1 444,090	358,625
Other receivables	1 281,659	261,609
Due from related parties	14,757	23,731
Deferred tax assets	16,028	25,667
	<u>2,764,847</u>	<u>2,862,729</u>
<u>Current assets</u>		
Property development costs	304,584	313,710
Inventories	75,575	73,859
Trade receivables	803,134	706,355
Other receivables	285,974	270,779
Due from related parties	252,876	75,739
Tax recoverable	8,508	6,141
Cash and cash equivalents	1,039,123	1,077,715
	<u>2,769,774</u>	<u>2,524,298</u>
TOTAL ASSETS	<u>5,534,621</u>	<u>5,387,027</u>
EQUITY AND LIABILITIES		
<u>Equity attributable to equity holders of the Company</u>		
Share capital	546,231	475,820
Share premium	2,173,973	394,086
Internal reorganisation reserve	(1,554,791)	-
Reserves	1,038,893	940,551
	<u>2,204,306</u>	<u>1,810,457</u>
Non-controlling interest	52,055	56,958
Total equity	<u>2,256,361</u>	<u>1,867,415</u>

WCT HOLDINGS BERHAD

(Company Number : 930464-M)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013 (Cont'd)

	AS AT CURRENT QUARTER 31.12.2013	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 65,816	66,618
Other payables	2 390,279	488,293
Borrowings	1,553,072	893,313
Deferred tax liabilities	37,845	41,527
	<u>2,047,012</u>	<u>1,489,751</u>
<u>Current liabilities</u>		
Trade payables	599,804	666,262
Other payables	242,922	417,100
Borrowings	369,068	930,715
Tax payable	19,454	15,784
	<u>1,231,248</u>	<u>2,029,861</u>
Total Liabilities	<u>3,278,260</u>	<u>3,519,612</u>
TOTAL EQUITY AND LIABILITIES	<u>5,534,621</u>	<u>5,387,027</u>
Net asset per share (RM)	2.02	1.90

(1) Included receivables of RM275 million in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecourse project.

(2) Included payables of RM275 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 FOURTH QUARTER ENDED 31 DECEMBER 2013

	Attributable to Equity Holders of the Company													Non-controlling Interest	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	Non-controlling Interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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	16,555	20,653	1,438	618,917	1,476,448	282,586	1,759,034
Profit for the period	-	-	-	-	-	-	(19,715)	-	-	7,103	-	358,861	358,861	(13,158)	345,703
Other comprehensive income/(loss)	-	-	-	-	-	-	(19,715)	-	-	-	-	-	(12,612)	(7,896)	(20,418)
Total comprehensive income for the period	-	-	-	-	-	-	(19,715)	-	-	7,103	-	358,861	346,249	(20,964)	325,285
Dividends paid to shareholders	-	-	-	-	-	-	-	-	-	-	-	(61,777)	(61,777)	-	(61,777)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	9,095	-	-	-	-	(204,664)	(204,664)
Share options vested under ESOS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,095
Arising from share options exercised	8,184	-	24,502	-	-	-	-	-	-	-	-	-	32,686	-	32,686
Arising from conversion of IOPS	1,176	(1,176)	-	-	-	-	-	-	-	-	-	-	-	-	-
Arising from conversion of warrants	2,045	-	5,711	-	-	-	-	-	-	-	-	-	-	-	-
Arising from bonus issue	61,811	-	(61,811)	-	-	-	-	-	(10,443)	-	-	-	-	-	7,756
Transfer within reserve for ESOS exercised	-	-	10,443	-	-	-	-	-	-	-	-	-	-	-	-
Transfer within reserve for warrants exercised	-	-	1,035	-	(1,035)	-	-	-	(12,534)	-	-	12,661	-	-	-
Transfer within reserve	-	-	-	-	-	(27)	-	-	-	-	-	-	-	-	-
At 31 December 2012	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
<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	-	-	-	-	-	-	6,243	-	-	(27)	-	197,548	197,548	(7,797)	189,751
Other comprehensive income/(loss)	-	-	-	-	-	-	6,243	-	-	(27)	-	-	6,216	2,894	9,110
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	6,243	-	-	(27)	-	197,548	203,764	(4,903)	198,861
Dividends paid to shareholders	-	-	-	-	-	-	-	-	-	-	-	(72,898)	(72,898)	-	(72,898)
Share options vested under ESOS	-	-	-	-	-	-	-	-	3,341	-	-	-	3,341	-	3,341
Arising from share options exercised	3,238	-	7,381	-	-	-	-	-	-	-	-	-	10,619	-	10,619
Arising from conversion of warrants	67,173	-	181,850	-	-	-	-	-	-	-	-	-	249,023	-	249,023
Arising from conversion of IOPS	-	-	1,554,791	(1,554,791)	-	-	-	-	-	-	-	-	-	-	-
Arising from conversion of warrants	-	-	2,723	-	-	-	-	-	(2,723)	-	-	-	-	-	-
Arising from bonus issue	-	-	33,142	-	(33,142)	-	-	-	-	-	-	-	-	-	-
Transfer within reserve for ESOS exercised	-	-	-	-	(578)	(233)	-	-	-	-	-	810	-	-	-
Transfer within reserve for warrants exercised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer within reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 December 2013	546,231	-	2,173,973	(1,554,791)	53,027	217	(103,777)	2,846	3,291	27,729	1,438	1,054,122	2,204,306	52,055	2,256,361

(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 FOURTH QUARTER ENDED 31 DECEMBER 2013

	UNAUDITED CUMULATIVE PERIOD CURRENT YEAR TO DATE 31.12.2013 RM'000	CUMULATIVE PERIOD PRECEDING YEAR CORRESPONDING 31.12.2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	254,243	414,944
Adjustments for:-		
Non-cash items	12,657	66,687
Non-operating items - financing	34,468	(13,206)
Non-operating items - investing	(85,707)	(232,118)
Operating profit before working capital changes	<u>215,661</u>	<u>236,307</u>
Net changes in current assets	(514,769)	(145,645)
Net changes in current liabilities	(315,196)	87,286
Cash flows (used in)/generated from operations	<u>(614,304)</u>	<u>177,948</u>
Interest paid	(64,343)	(56,035)
Interest received	33,162	20,090
Taxation paid	(64,645)	(52,157)
Net cash (used in)/generated from operating activities	<u>(710,130)</u>	<u>89,846</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments in jointly controlled entities	(25,241)	(49,000)
Acquisition of subsidiary, net of cash acquired	-	1,609
Proceed from disposal of subsidiary	85,275	-
Proceed from disposal of associates	37,084	-
Proceed from disposal of other investment	8,510	-
Property, plant and equipment	(23,123)	(28,269)
Properties	(11,430)	(119,575)
Dividend received from associates	6,508	1,082
Refund of share application monies from associates	2,762	11,602
(Placement)/withdrawal in FSRA and redemption accounts	(100,284)	1,927
Net cash used in investing activities	<u>(19,939)</u>	<u>(180,624)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from share options exercised	10,619	32,686
Proceed from conversion of warrants	249,023	7,756
Dividend paid to shareholders	(72,898)	(61,777)
Bank borrowings	406,634	424,602
Net cash generated from financing activities	<u>593,378</u>	<u>403,267</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	<u>(136,691)</u>	<u>312,489</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	1,069,484	774,679
Foreign exchange differences	607	(17,684)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD *	<u>933,400</u>	<u>1,069,484</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 RM102,273,928.

(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") (930464-M)
QUARTERLY UNAUDITED RESULTS OF THE GROUP FOR THE FOURTH QUARTER
ENDED 31 DECEMBER 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)
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 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 31 December 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 31 December 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 124,000 new ordinary shares of RM0.50 each pursuant to the exercise of the ESOS at the exercise price of RM2.15 per ordinary share.
- (c) 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.
- (d) Issuance of 15,800 new ordinary shares of RM0.50 each pursuant to the conversion of Warrants 2013/2016 at an exercise price of RM2.04 per ordinary share for cash.
- (e) Issuance of 1,194,833 new ordinary shares of RM0.50 each pursuant to the conversion of Warrants 2013/2017 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 and management RM'000	Unallocated RM'000	Eliminations RM'000	Consolidated RM'000
12 months period ended 31 December 2013						
Revenue						
External	1,168,388	442,473	61,493	-	-	1,672,354
Inter segment	924,663	10,741	-	-	(935,404)	-
	<u>2,093,051</u>	<u>453,214</u>	<u>61,493</u>	<u>-</u>	<u>(935,404)</u>	<u>1,672,354</u>
Segment results						
Profit from operations	129,306	93,623	79,744	-	-	302,673
Finance costs	-	-	-	-	-	(67,631)
Share of profits of associates	-	-	-	12,124	-	12,124
Share of (losses)/profits of joint ventures	-	(2,954)	10,031	-	-	7,077
Taxation	-	-	-	-	-	(64,492)
Profit for the period						<u>189,751</u>
Profit attributable to :-						
Equity holders of the Company						197,548
Non-controlling interest						<u>(7,797)</u>
						<u>189,751</u>
12 months period ended 31 December 2012						
Revenue						
External	1,012,388	462,975	84,991	-	-	1,560,354
Inter segment	637,214	130,500	-	-	(767,714)	-
	<u>1,649,602</u>	<u>593,475</u>	<u>84,991</u>	<u>-</u>	<u>(767,714)</u>	<u>1,560,354</u>
Segment results						
Profit from operations	109,968	117,452	240,359	-	-	467,779
Finance costs	-	-	-	-	-	(68,884)
Share of profits of associates	-	-	-	16,795	-	16,795
Share of losses of joint ventures	-	-	(746)	-	-	(746)
Taxation	-	-	-	-	-	(69,241)
Profit for the period						<u>345,703</u>
Profit attributable to :-						
Equity holders of the Company						358,861
Non-controlling interest						<u>(13,158)</u>
						<u>345,703</u>

A10 Carrying Amount Of Revalued Assets

During the period under review, certain investment properties and property, plant and equipment were revalued which results in a net increase of approximately RM52 million.

Save as disclosed above, the valuations of other 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 18 February 2014 (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	92,516
Net disposals proceeds	(87,360)
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	(2,085)
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)

- (vi) On 9 October 2013, WCTL has acquired two (2) ordinary shares of RM1.00 each at par representing the entire issued and paid-up share capital of WCT Pioneer Development Sdn. Bhd. ("WCTPD") for a total cash consideration of RM2.00.

WCTPD is a company incorporated in Malaysia, has an authorised share capital of RM400,000 and an issued and paid up share capital of RM2.00 divided into 2 ordinary shares of RM1.00 each.

- (vii) On 10 October 2013, WCTL has acquired two (2) ordinary shares of RM1.00 each at par representing the entire issued and paid-up share capital of WCT Precious Development Sdn. Bhd. ("WCT Precious") for a total cash consideration of RM2.00.

WCT Precious is a company incorporated in Malaysia, has an authorised share capital of RM400,000 and an issued and paid up share capital of RM2.00 divided into 2 ordinary shares of RM1.00 each.

- (viii) On 5 October 2010, WCT (Offshore) Private Limited and WCT Overseas Sdn Bhd have entered into an Agreement for Sale & Purchase of Shares in Swarna Tollway Private Limited ("Swarna") and CIDB Inventures Sdn. Bhd. ("CIDBI") with IJMII (Mauritius) Limited and IJM Corporation Berhad for the disposal of its entire interest in Swarna and CIDBI comprising:

- (a) 42,500,000 ordinary shares of INR10 each representing 17% of the issued and paid-up ordinary share capital of Swarna ("Swarna Ordinary Shares");
- (b) 4,490,000 9% cumulative redeemable preference shares of INR10 each representing 22.45% of the issued and paid-up preference share capital of Swarna ("Swarna CRPS");
- (c) 1,534,629 ordinary shares of RM1 each representing 15.35% of the issued and paid-up ordinary share capital of CIDBI ("CIDBI Ordinary Shares"); and
- (d) 179,274 redeemable preference shares of RM1 each representing 15.35% of the issued and paid-up preference share capital of CIDBI ("CIDBI RPS").

The above Swarna Ordinary Shares and Swarna CRPS were disposed for a total cash consideration of USD12,958,469 and CIDBI Ordinary Shares and CIDBI RPS were disposed for a total cash consideration of RM9,455,462. These disposals were completed in October 2013 and resulted in a capital gain of approximately RM10.354 million to the Group.

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

- (ix) On 11 November 2013, WCTL has acquired two (2) ordinary shares of RM1.00 each at par representing the entire issued and paid-up share capital of WCT Phenomenon Development Sdn. Bhd. ("WCT Phenomenon") for a total cash consideration of RM2.00.

WCT Phenomenon is a company incorporated in Malaysia, has an authorised share capital of RM400,000 and an issued and paid up share capital of RM2.00 divided into 2 ordinary shares of RM1.00 each.

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 18 February 2014 (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 RM764.0 million and RM28.8 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	136,458	16,373
Discharged/paid during the period	(230,929)	(6,219)
	<u>764,055</u>	<u>28,776</u>
Balance as at 18 February 2014	<u>764,055</u>	<u>28,776</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	251
Land	160,743
	<u>160,994</u>

A15 Significant Related Party Transactions

	RM'000
<u>The Group</u>	
Rental of property paid to a Director of the Company	455
Sales of properties to Directors and persons connected with the Directors	21,102
Purchase of properties from a Director of the Company	8,350
	<u>29,907</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 RM280 million and RM56 million respectively as compared to RM380 million and RM239 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 RM1,672 million and RM198 million respectively as compared to RM1,560 million and RM359 million respectively in the preceding year corresponding period.

Civil engineering and construction segment recorded revenue and operational profit of RM1,168 million (2012:RM1,012 million) and RM129 million (2012:RM110 million) respectively. The increase in revenue and operating profit is attributable to higher contribution from local division.

Property development and investment segments registered revenue and operational profit of RM504 million (2012:RM548 million) and RM173 million (2012:RM358 million) respectively. The decrease in operating profit is mainly due to higher revaluation surplus from investment properties in prior year.

Basic earning per share for current year to date is 18.40 sen as compared to 38.01 sen recorded in the preceding year.

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 RM280 million and RM56 million as compared to RM419 million and RM41 million reported in the immediate preceding quarter.

B3 Profit for the period

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months period To 31.12.2013) RM'000	PRECEDING YEAR CORRESPONDING (3 months period To 31.12.2012) RM'000	CURRENT YEAR TO DATE (12 months period To 31.12.2013) RM'000	PRECEDING YEAR CORRESPONDING (12 months period To 31.12.2012) RM'000
Profit for the period is arrived at after crediting /(charging):				
Interest income	10,039	5,492	33,162	20,090
Interest expense	(19,934)	(18,947)	(67,631)	(68,884)
Depreciation and amortisation	(4,854)	(2,386)	(9,936)	(6,519)
Bad debts written off	(744)	(539)	(9,320)	(737)
(Provision)/reversal for doubtful debts	(13,111)	1,976	(13,111)	1,976
Gain on disposal of property, plant and equipment	3,870	407	3,975	2,658
Gain on disposal of stock properties	-	-	709	156
Gain/(loss) on foreign exchange	7,480	(4,711)	27,689	(13,498)

B4 Prospect For Financial Year 2014

Despite of the challenging macro economic outlook in Malaysia, the Group is cautiously optimistic to achieve satisfactory results for the forthcoming financial year.

B5 Variance Of Actual Profit From Forecast Profit

Not applicable to the Group.

B6 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months period To 31.12.2013)	PRECEDING YEAR CORRESPONDING (3 months period To 31.12.2012)	CURRENT YEAR TO DATE (12 months period To 31.12.2013)	PRECEDING YEAR CORRESPONDING (12 months period To 31.12.2012)
	RM'000	RM'000	RM'000	RM'000
Taxation comprises:-				
Malaysia Tax				
- Current year	6,662	28,569	58,415	65,900
- Prior year	3,203	2,338	4,086	416
- Deferred taxation	1,693	(2,805)	1,991	2,925
	<u>11,558</u>	<u>28,102</u>	<u>64,492</u>	<u>69,241</u>

The Group's effective tax rate (excluding the results of associates and joint ventures which are equity accounted net of tax) for the current cumulative period ended 31 December 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 current quarter ended 31 December 2013 is lower than the statutory tax rate mainly due to income arising from revaluation surplus which is subject to lower tax rate.

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 31 December 2012 is lower than the statutory tax rate mainly due to income arising from revaluation surplus which is not subject to tax.

B7 Status of Corporate Proposals Announced

The Group did not announce any corporate proposal which has not been completed as at 18 February 2014 (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 31.12.2013 RM'000	As at 31.12.2012 RM'000
Total retained profits of the Company and its subsidiaries:-		
- Realised	1,007,374	948,001
- Unrealised	133,279	239,713
	<u>1,140,653</u>	<u>1,187,714</u>
Total share of retained profits/(losses) from associates:-		
- Realised	92,818	84,530
- Unrealised	(327)	(342)
	<u>92,491</u>	<u>84,188</u>
Total share of retained profits/(losses) from jointly controlled entities:-		
- Realised	(65,292)	(64,585)
- Unrealised	140,032	(1,564)
	<u>74,740</u>	<u>(66,149)</u>
Less : Consolidation adjustment	<u>(253,762)</u>	<u>(277,091)</u>
Total Group retained profits as per consolidated accounts	<u>1,054,122</u>	<u>928,662</u>

B9 Group Borrowings And Debt Securities

Details of group borrowings are as follows:-

	As at 31.12.2013 RM'000	As at 31.12.2012 RM'000
Long Term Bank Borrowings		
<u>Secured:-</u>		
Long Term Loan	268,000	311,985
Hire Purchase Creditors	7	3,220
	<u>268,007</u>	<u>315,205</u>
<u>Unsecured:-</u>		
MTN	1,000,000	-
IMTN	-	300,000
BONDS	285,065	278,108
	<u>1,285,065</u>	<u>578,108</u>
	<u>1,553,072</u>	<u>893,313</u>
Short Term Bank Borrowings		
<u>Secured :-</u>		
Hire Purchase Creditors	124	4,172
Revolving Credit	-	70,000
Term Loans	12,000	348,190
	<u>12,124</u>	<u>422,362</u>
<u>Unsecured :-</u>		
BONDS	-	293,399
Bank Overdraft	2,679	5,471
Banker Acceptance	-	10,195
IMTN	300,000	100,000
SUKUK	-	99,288
Term loan	54,265	-
	<u>356,944</u>	<u>508,353</u>
	<u>369,068</u>	<u>930,715</u>
	<u>1,922,140</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 18 February 2014 (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 Ended 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 ended 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	72,898	61,777

Subject to the shareholders' approval at the forthcoming Annual General Meeting, a final single tier dividend of 3.25 sen per ordinary share for the financial year ended 31 December 2013 has been recommended.

B12 Earnings Per Share

	Reporting Quarter 31.12.2013	Current Year To Date 31.12.2013
(a) Basic Earnings Per Share		
Profit attributable to the equity holders of the parent (RM'000)	56,359	197,548
Weighted average number of ordinary shares in issue ('000)	1,092,420	1,073,406
Basic earnings per share (sen)	5.16	18.40
(b) Fully Diluted Earnings Per Share		
Profit attributable to the equity holders of the parent (RM'000)	56,359	197,548
Weighted average number of ordinary shares in issue ('000)	1,092,420	1,073,406
Effects of dilution:		
Share options ('000)	971	1,633
Warrants ('000)	31,973	44,480
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,125,364	1,119,519
Fully diluted earnings per share (sen)	5.01	17.65

B13 Comparative Figures

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

Date: 25th February 2014