



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

**Date : 24 November 2014**

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL  
PERIOD ENDED 30 SEPTEMBER 2014**

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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 2014**

( The figures have not been audited )

**CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 30.9.2014) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 30.9.2013) RM'000	CURRENT YEAR TO DATE (9 months to 30.9.2014) RM'000	PRECEDING YEAR CORRESPONDING (9 months to 30.9.2013) RM'000
Revenue	471,106	418,508	1,339,800	1,391,970
Cost of sales	(424,716)	(330,958)	(1,134,708)	(1,145,072)
<b>Gross profit</b>	<b>46,390</b>	<b>87,550</b>	<b>205,092</b>	<b>246,898</b>
Other income	18,281	9,218	27,629	46,932
Other expenses	(5,073)	(5,814)	(14,669)	(17,705)
Administrative expenses	(16,734)	(17,285)	(51,778)	(50,985)
Finance costs	(14,682)	(17,089)	(44,554)	(47,697)
Share of profit after tax of associates	3,482	2,126	8,037	10,137
Share of profit/ (loss) after tax of joint ventures	709	1,188	4,841	1,245
	<b>32,373</b>	<b>59,894</b>	<b>134,598</b>	<b>188,825</b>
Income tax expense	(6,050)	(19,341)	(28,676)	(52,934)
<b>Profit for the period</b>	<b>26,323</b>	<b>40,553</b>	<b>105,922</b>	<b>135,891</b>
Attributable to:				
Equity holders of the Company	25,849	41,329	100,244	141,189
Non-controlling interest	474	(776)	5,678	(5,298)
<b>Profit for the period</b>	<b>26,323</b>	<b>40,553</b>	<b>105,922</b>	<b>135,891</b>
Attributable to equity holders of the Company :				
Basic earnings per share (sen)	<b>2.37</b>	<b>3.78</b>	<b>9.18</b>	<b>13.23</b>
Fully diluted earnings per share (sen)	<b>2.34</b>	<b>3.66</b>	<b>9.10</b>	<b>12.65</b>

(The consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.)

**WCT HOLDINGS BERHAD**

(Company Number : 930464-M)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER ENDED  
30 SEPTEMBER 2014**

( The figures have not been audited )

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 30.9.2014) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 30.9.2013) RM'000	CURRENT YEAR TO DATE (9 months to 30.9.2014) RM'000	PRECEDING YEAR CORRESPONDING (9 months to 30.9.2013) RM'000
Profit for the period	26,323	40,553	105,922	135,891
Other comprehensive income/(loss):				
Currency translation differences arising from consolidation	343	5,093	(1,306)	3,358
Other comprehensive income/(loss) for the period, net of tax	343	5,093	(1,306)	3,358
Total comprehensive income for the period	26,666	45,646	104,616	139,249
Total comprehensive income/(loss) for the period attributable to :				
Equity holders of the Company	22,562	45,405	98,595	142,263
Non-controlling interest	4,104	241	6,021	(3,014)
	26,666	45,646	104,616	139,249

(The consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 2014**

	AS AT CURRENT QUARTER 30.9.2014	AS AT FINANCIAL YEAR ENDED 31.12.2013
	UNAUDITED RM'000	AUDITED RM'000
<b>ASSETS</b>		
<b><u>Non-current assets</u></b>		
Property, plant and equipment	269,112	271,650
Land held for property development	980,376	640,379
Investment properties	662,559	653,006
Investment in associates	132,345	127,584
Investment in joint ventures	316,098	315,694
Trade receivables	1 604,451	542,390
Other receivables	1 281,405	281,659
Due from related parties	8,734	14,757
Deferred tax assets	19,737	16,028
	<u>3,274,817</u>	<u>2,863,147</u>
<b><u>Current assets</u></b>		
Property development costs	338,462	304,584
Inventories	67,102	75,575
Trade receivables	809,200	706,815
Other receivables	147,024	283,993
Due from related parties	372,327	252,876
Tax recoverable	13,020	8,508
Other investments and marketable securities	-	65,721
Cash and bank balances	276,628	973,403
	<u>2,023,763</u>	<u>2,671,475</u>
<b>TOTAL ASSETS</b>	<u>5,298,580</u>	<u>5,534,622</u>
<b>EQUITY AND LIABILITIES</b>		
<b><u>Equity attributable to equity holders of the Company</u></b>		
Share capital	546,272	546,231
Share premium	2,174,136	2,173,973
Reserves	(452,611)	(515,898)
Less: Treasury shares, at costs	(25,005)	-
	<u>2,242,792</u>	<u>2,204,306</u>
Non-controlling interest	58,076	52,055
<b>Total equity</b>	<u>2,300,868</u>	<u>2,256,361</u>

**WCT HOLDINGS BERHAD**

(Company Number : 930464-M)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014 (Cont'd.)**

		AS AT CURRENT QUARTER 30.9.2014	AS AT FINANCIAL YEAR ENDED 31.12.2013
		UNAUDITED RM'000	AUDITED RM'000
<b>EQUITY AND LIABILITIES (Cont'd)</b>			
<b><u>Long-term liabilities</u></b>			
Trade payables	2	74,084	65,816
Other payables	2	321,112	390,279
Borrowings		1,549,537	1,553,072
Deferred tax liabilities		35,127	37,845
		<u>1,979,860</u>	<u>2,047,012</u>
<b><u>Current liabilities</u></b>			
Trade payables		590,944	615,799
Other payables		151,214	226,928
Borrowings		263,938	369,068
Tax payable		11,756	19,454
		<u>1,017,852</u>	<u>1,231,249</u>
<b>Total Liabilities</b>		<u>2,997,712</u>	<u>3,278,261</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>5,298,580</u>	<u>5,534,622</u>
Net asset per share (RM)		2.05	2.02

(1) Included receivables of RM274 million in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecourse project.

(2) Included payables of RM274 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 2013 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 2014**

	UNAUDITED CUMULATIVE PERIOD CURRENT YEAR TO DATE 30.9.2014 RM'000	CUMULATIVE PERIOD PRECEDING YEAR CORRESPONDING 30.9.2013 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	134,598	188,825
Adjustments for:-		
Non-cash items	7,225	(11,982)
Non-operating items - financing	14,206	24,233
Non-operating items - investing	(10,867)	(12,196)
Operating profit before working capital changes	<u>145,162</u>	<u>188,880</u>
Net changes in current assets	(480,808)	(480,084)
Net changes in current liabilities	(161,579)	(235,210)
Cash flows used in operations	<u>(497,225)</u>	<u>(526,414)</u>
Interest paid	(55,330)	(40,092)
Interest received	30,348	23,123
Taxation paid	(47,313)	(30,039)
Net cash used in operating activities	<u>(569,520)</u>	<u>(573,422)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments in jointly controlled entities	-	(25,241)
Proceed from disposal of subsidiary	-	80,412
Property, plant and equipment	(17,895)	29
Investment Properties	(4,617)	(3,558)
Dividend received from associates	1,655	-
Disposal of marketable securities	65,721	-
Withdrawal/(placement) in		
- FSRA account	102,274	-
- deposits in licensed banks	(6,778)	-
Net cash generated from investing activities	<u>140,360</u>	<u>51,642</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceed from share options exercised	140	10,352
Proceed from conversion of warrants	34	249,020
Purchase of treasury shares	(25,005)	-
Dividend paid to shareholders	(35,278)	(72,898)
Bank borrowings	(120,015)	707,247
Net cash (used in)/generated from financing activities	<u>(180,124)</u>	<u>893,721</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD</b>	<b>(609,284)</b>	<b>371,941</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>867,524</b>	<b>1,059,466</b>
Foreign exchange differences	2,126	(1,235)
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD *</b>	<b><u>260,366</u></b>	<b><u>1,430,172</u></b>

\* Cash & cash equivalents excludes fixed deposits with licensed bank amounting to RM770,000 and deposits with maturities more than 3 months amounting to RM6,934,790.

(The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 THIRD QUARTER ENDED 30  
SEPTEMBER 2014**

**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 2013. 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 2013.

**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 2013, except for the adoption of the following new Financial Reporting Standards (“FRSs”), Amendments to FRSs and Interpretations with effect from 1 January 2014.

On 1 January 2014, the Group adopted the following new and amended FRS and IC Interpretations where applicable:-

**FRSs, Amendments to FRSs and Interpretations**

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
• Amendments to FRS 132: <i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
• Amendments to FRS 10, FRS 12 and FRS 127: <i>Investment Entities</i>	1 January 2014
• Amendments to FRS 136: <i>Recoverable Amount Disclosures for Non-Financial Assets</i>	1 January 2014
• Amendments to FRS 139: <i>Novation of Derivatives and Continuation of Hedge Accounting</i>	1 January 2014
• IC Interpretation 21 Levies	1 January 2014
• Amendments to FRS 119: <i>Defined Benefit Plans: Employee Contributions</i>	1 July 2014
• Annual Improvements to FRSs 2010–2012 Cycle	1 July 2014
• Annual Improvements to FRSs 2011–2013 Cycle	1 July 2014



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

The adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application .

### **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 to all entities other than private entities 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 venturer ("Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for 5 years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2017.

The Group falls within the scope definition of Transitioning Entities and have opted 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 2017. 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 2017.

## **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 2013.

## **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 for the current quarter under review.

**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 2014.

**A7 Changes In Debt and Equity Securities**

Save as disclosed below, there were no issuance, cancellation, resale, repurchase and repayment of debts and equity securities during the period under review.

(a) Issuance of ordinary share capital

(i) Issuance of 65,000 new ordinary shares of RM0.50 each pursuant to the exercise of the ESOS at the exercise price of RM2.15 per ordinary share.

(ii) Issuance of 13,152 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.

(iii) Issuance of 3,297 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.

(b) Share buy back

The Company repurchased 11,583,000 ordinary share of RM0.50 each of its issued share capital from the open market, at an average costs of RM2.16 each. The total consideration paid for the share buy-back including transaction costs during the current financial quarter and financial period to date amounted to RM3.990 million and RM25.005 million respectively and were financed by internally generated funds. The shares bought back are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

None of the treasury shares held were resold, cancelled or distributed as share dividend during the quarter and financial period under review.

**A8 Dividends**

Please refer to Explanatory Note B11.

## A9 Segmental Information

	Civil engineering and construction	Property development	Property investment and management	Unallocated	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>9 months period ended 30 September 2014</b>						
<b>Revenue</b>						
External	949,442	346,091	44,267	-	-	1,339,800
Inter segment	303,324	6,742	-	-	(310,066)	-
	<u>1,252,766</u>	<u>352,833</u>	<u>44,267</u>	<u>-</u>	<u>(310,066)</u>	<u>1,339,800</u>
<b>Segment results</b>						
Profit from operations	86,608	59,793	19,873	-	-	166,274
Finance costs	-	-	-	-	-	(44,554)
Share of profits of associates	-	-	-	8,037	-	8,037
Share of profits of joint ventures	-	1,033	3,808	-	-	4,841
Taxation	-	-	-	-	-	(28,676)
Profit for the period						<u>105,922</u>
Profit attributable to :-						
- Equity holders of the Company						100,244
- Non-controlling interest						<u>5,678</u>
						<u>105,922</u>
<b>9 months period ended 30 September 2013</b>						
<b>Revenue</b>						
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>
<b>Segment results</b>						
Profit from operations	121,847	81,513	21,780	-	-	225,140
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						<u>(5,298)</u>
						<u>135,891</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 2013.

#### **A11 Subsequent Material Events**

On 25 September 2014, the Company received the approval and authorisation from Securities Commission Malaysia ("SC") to establish a Sukuk Murabahah Programme for the issuance of Sukuk ("Sukuk Murabahah") based on the Shariah principle of Murabahah involving Shariah-compliant commodities of up to Ringgit Malaysia One Billion and Five Hundred Million (RM1,500,000,000) in nominal value ("Sukuk Murabahah Programme").

The Sukuk Murabahah Programme shall have tenure of fifteen (15) years from the date of first issue of the Sukuk Murabahah provided that the first issuance of Sukuk Murabahah shall be made no later than two (2) years from the date of the SC's approval and authorisation of the Sukuk Murabahah Programme. Each Sukuk Murabahah shall be issued for tenures of more than one (1) year and up to fifteen (15) years from the date of issuance, at the option of the Issuer, provided always that no Sukuk Murabahah shall mature beyond the tenure of the Sukuk Murabahah Programme.

The Sukuk Murabahah will be issued via book-building, private placement or bought deal basis.

Proceeds from the issuance of the Sukuk Murabahah will be utilised for the following purposes which are Shariah-compliant: (i) to fund WCT Group's working capital requirements, capital expenditure and investments specific to WCT Group's principal activities, excluding the construction or acquisition of hotel(s); (ii) refinancing of WCT Group's existing borrowings; (iii) to fund the Trustee's Reimbursement Account; and/or (iv) to defray fees and expenses incurred in relation to the Sukuk Murabahah Programme.

Subsequently on 23 October 2014, the Company raised RM600,000,000 from the Sukuk Murabahah Programme.

Save as disclosed above, there were no material events subsequent to the reporting period up to 18 November 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**

- (a) On 26 February 2014, the Company received a decision letter from the Ho Chi Minh City People's Committee that the Investment Certificate (also act as Business License) dated 18 December 2007 granted to BSC-WCT Co., Ltd, an indirect 67% owned subsidiary of WCTB, to undertake the proposed Platinum Plaza Development Project ("the Proposed Project") located in the Binh Chanh District, Ho Chi Minh City ("HCMC" or the "City"), Vietnam, has been revoked by the Ho Chi Minh City People's Committee.

In connection thereto, the Company will cease to proceed with the Proposed Project which has yet to commence as of to date and to proceed with the liquidation process on BSC-WCT Co., Ltd in accordance with the current laws and regulations of the Ho Chi Minh City People's Committee.

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

- (b) On 7 May 2014, a wholly foreign owned company in Beijing, China of WCT Land Sdn Bhd ("WCTL"), which in turn is a wholly-owned subsidiary of the Company, had completed all the de-registration procedures with the Beijing Administration of Industry & Commerce and is accordingly dissolved.

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 November 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 RM689.260 million and RM27.227 million respectively provided by the Group to various parties in the ordinary course of business and tax matters under appeal amounting to RM3.0 million. The changes in contingent liabilities since 18 February 2014 are as follows:-

(a)	Bank Guarantees RM'000	Letter of credit RM'000
Balance as at 18 February 2014	764,055	28,776
Extended/utilised during the period	82,159	22,672
Discharged/paid during the period	(156,954)	(24,221)
Balance as at 18 November 2014	<u>689,260</u>	<u>27,227</u>

- (b) The tax matters under appeal of the Group totaling RM3.0 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	114,521
Land	113,073
Investment property	399,260
Share of capital commitment of joint operations	118,850
	<u>745,704</u>

## A15 Significant Related Party Transactions

<u>The Group</u>	RM'000
Contract revenue from joint ventures	34,134
Rent expense payable to a joint venture	(137)
Interest receivable from joint ventures	10,174
Management fee receivable from joint ventures	186
Sales of properties to Directors and persons connected with the Directors	3,915
	<u>39,162</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 net profit of RM471 million and RM26 million respectively as compared to RM418 million and RM41 million respectively in the preceding year corresponding quarter.

For the current year to date, the Group recorded revenue and net profit of RM1,340 million and RM100 million respectively as compared to RM1,392 million and RM141 million respectively in the preceding year corresponding period. The decrease in both revenue and net profit are mainly due to lower property development billings and lower project margin.

Civil engineering and construction segment recorded revenue and operational profit of RM 949 million (2013:RM935 million) and RM87 million (2013:RM122 million) respectively. The decrease in operating profit is attributable to lower project margin from both local and overseas division.

Property development and investment segments registered revenue and operational profit of RM390 million (2013:RM456 million) and RM80 million (2013:RM103 million) respectively. The decrease in both revenue and operational profit are mainly due to lower property billings and project margin.

Basic earning per share for current quarter is 2.37 sen as compared to 3.78 sen recorded in the preceding year corresponding quarter.

Basic earning per share for nine-months period is lower at 9.18 sen as compared to 13.23 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 net profit of RM471 million and RM26 million respectively as compared to RM401 million and RM34 million reported in the immediate preceding quarter.

**B3 Profit for the period**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER	CORRESPONDING	TO DATE	CORRESPONDING
	(3 months period To 30.9.2014)	(3 months period To 30.9.2013)	(9 months period To 30.9.2014)	(9 months period To 30.9.2013)
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after crediting/ (charging):				
Interest income	10,273	9,510	30,348	23,123
Interest expense	(14,682)	(17,089)	(44,554)	(47,697)
Depreciation and amortisation	(2,969)	(2,207)	(6,355)	(5,082)
Bad debts written off	23	(1,519)	(2,972)	(8,576)
Property, plant and equipment written off	-	-	(14)	-
Reversal of impairment of trade and other receivables	-	-	991	-
Diminution in value of investment in joint operation	(1,988)	-	(1,988)	-
(Loss)/gain on disposal of property, plant and equipment	(33)	(576)	(1,997)	105
Gain on disposal of stock properties	-	91	-	709
(Loss)/gain on foreign exchange	5,418	2,903	(1,528)	20,209

**B4 Prospect For Financial Year 2014**

Despite the challenging macro economic outlook in Malaysia, the Group is cautiously optimistic to achieve satisfactory results for the financial year ending 31 December 2014.

**B5 Variance Of Actual Profit From Forecast Profit**

Not applicable to the Group.

**B6 Taxation**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER	CORRESPONDING	TO DATE	CORRESPONDING
	(3 months period To 30.9.2014) RM'000	(3 months period To 30.9.2013) RM'000	(9 months period To 30.9.2014) RM'000	(9 months period To 30.9.2013) RM'000
Taxation comprises:				
Income tax				
- current year	12,870	18,741	36,305	51,753
- prior years	(1,369)	883	(2,353)	883
Deferred taxation	(5,451)	(283)	(5,276)	298
	<u>6,050</u>	<u>19,341</u>	<u>28,676</u>	<u>52,934</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 and current quarter ended 30 September 2014 is lower than the statutory tax rate mainly due to certain income exempted from 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 corresponding 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.

**B7 Status of Corporate Proposals Announced**

The Group did not announce any corporate proposal which has not been completed as at 18 November 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 30.09.2014 RM'000	As at 31.12.2013 RM'000
Total retained profits of the Company and its subsidiaries:-		
- Realised	1,053,033	1,007,374
- Unrealised	106,300	133,279
	<u>1,159,333</u>	<u>1,140,653</u>
Total share of retained profits/(losses) from associates:-		
- Realised	99,200	92,818
- Unrealised	(328)	(327)
	<u>98,872</u>	<u>92,491</u>
Total share of (accumulated losses)/retained profits from joint arrangement:-		
- Realised	(51,194)	(65,292)
- Unrealised	134,646	140,032
	<u>83,452</u>	<u>74,740</u>
Less : Consolidation adjustment	<u>(222,489)</u>	<u>(253,762)</u>
Total Group retained profits as per consolidated accounts	<u><u>1,119,168</u></u>	<u><u>1,054,122</u></u>

**B9 Group Borrowing And Debt Securities**

Detail of group borrowings are as follows:-

	As at 30.09.2014 RM'000	As at 31.12.2013 RM'000
<b>Long Term Bank Borrowings</b>		
<u>Secured:-</u>		
Long Term Loan	259,000	268,000
Hire Purchase Creditors	-	7
	<u>259,000</u>	<u>268,007</u>
<u>Unsecured:-</u>		
MTN	1,000,000	1,000,000
BONDS	290,537	285,065
	<u>1,290,537</u>	<u>1,285,065</u>
	<u>1,549,537</u>	<u>1,553,072</u>
<b>Short Term Bank Borrowings</b>		
<u>Secured :-</u>		
Hire Purchase Creditors	28	124
Revolving Credit	101,345	-
Term Loans	29,976	12,000
	<u>131,349</u>	<u>12,124</u>
<u>Unsecured :-</u>		
Bank Overdraft	8,557	2,679
Revolving credit	24,032	-
IMTN	100,000	300,000
Term loan	-	54,265
	<u>132,589</u>	<u>356,944</u>
	<u>263,938</u>	<u>369,068</u>
<b>Total Bank Borrowings</b>	<u>1,813,475</u>	<u>1,922,140</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 2013 (being the date of the last annual statement of financial position) to 18 November 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 in respect of the Company's rights in its share of the Joint Venture's claims namely approximately AED1.4 billion 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**

	<b>Paid in Year Ending 31 Dec 2014 RM'000</b>	<b>Paid in Year Ended 31 Dec 2013 RM'000</b>
<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	-	34,666
- Single tier dividend of 3.50 sen per ordinary share of RM0.50	-	38,232
<u>Final dividend paid</u>		
For the financial year ended 31 December 2013		
- Single tier dividend of 3.25 sen per ordinary share of RM0.50	35,278	-
Total net dividend paid	35,278	72,898

The interim single tier dividend declared on 21 August 2014 was subsequently paid on 10 October 2014 comprising of the followings:

- i) Cash dividend of 1.25 sen per ordinary share of RM0.50 each.
- ii) Share dividend via a distribution of Treasury Shares on the basis of one (1) Treasury Share for every one hundred (100) ordinary shares of RM0.50 each held, fractions of treasury shares was disregarded.

**B12 Earnings Per Share**

	<b>Reporting Quarter 30.09.2014</b>	<b>Current Year To Date 30.09.2014</b>
<b>(a) Basic Earnings Per Share</b>		
Profit attributable to the equity holders of the parent (RM'000)	25,849	100,244
Weighted average number of ordinary shares in issue ('000)	1,092,523	1,091,388
Basic earnings per share (sen)	2.37	9.18
<b>(b) Fully Diluted Earnings Per Share</b>		
Profit attributable to the equity holders of the parent (RM'000)	25,849	100,244
Weighted average number of ordinary shares in issue ('000)	1,092,523	1,091,388
Effects of dilution:		
Share options ('000)	645	646
Warrants ('000)	9,367	9,367
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,102,535	1,101,401
Fully diluted earnings per share (sen)	2.34	9.10

**B13 Comparative Figures**

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

**Date: 24<sup>th</sup> November 2014**