



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

Date : 25 February 2015

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL
PERIOD ENDED 31 DECEMBER 2014**

<u>Table of contents</u>	<u>Page</u>
Consolidated Income Statement	1
Consolidated Statement of Comprehensive Income	2
Consolidated Statement of Financial Position	3 - 4
Consolidated Statement of Changes in Equity	5
Consolidated Statement of Cash Flows	6
Explanatory notes in compliance with Financial Reporting Standard ("FRS") 134, Interim Financial Reporting	7 - 12
Explanatory notes in compliance with Listing Requirements of the Bursa Malaysia	13 - 20

WCT HOLDINGS BERHAD

(Company Number : 930464-M)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED INCOME STATEMENT FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2014**

(The figures have not been audited)

CONSOLIDATED INCOME STATEMENT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 31.12.2014) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 31.12.2013) RM'000	CURRENT YEAR TO DATE (12 months to 31.12.2014) RM'000	PRECEDING YEAR CORRESPONDING (12 months to 31.12.2013) RM'000
Revenue	322,422	262,981	1,662,222	1,654,951
Cost of sales	(293,927)	(229,876)	(1,428,635)	(1,374,948)
Gross profit	28,495	33,105	233,587	280,003
Other income	41,424	93,507	69,053	140,439
Other expenses	(12,704)	(25,551)	(27,373)	(43,256)
Administrative expenses	(21,067)	(23,528)	(72,845)	(74,513)
Finance costs	(22,124)	(19,934)	(66,678)	(67,631)
Share of profit after tax of associates	356	1,987	8,393	12,124
Share of profit/ (loss) after tax of joint ventures	2,148	5,832	6,989	7,077
	16,528	65,418	151,126	254,243
Income tax expense	193	(11,558)	(28,483)	(64,492)
Profit for the period	16,721	53,860	122,643	189,751
Attributable to:				
Equity holders of the Company	20,287	56,359	120,531	197,548
Non-controlling interest	(3,566)	(2,499)	2,112	(7,797)
Profit for the period	16,721	53,860	122,643	189,751
Attributable to equity holders of the Company :				
Basic earnings per share (sen)	1.86	5.16	11.05	18.40
Fully diluted earnings per share (sen)	1.85	5.01	11.00	17.65

(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 FOURTH QUARTER ENDED
31 DECEMBER 2014**

(The figures have not been audited)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 31.12.2014) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 31.12.2013) RM'000	CURRENT YEAR TO DATE (12 months to 31.12.2014) RM'000	PRECEDING YEAR CORRESPONDING (12 months to 31.12.2013) RM'000
Profit for the period	16,721	53,860	122,643	189,751
Other comprehensive income/(loss):				
Currency translation differences arising from consolidation	8,400	5,779	7,094	9,137
Revaluation of freehold land and building	(8,117)	(27)	(8,117)	(27)
Other comprehensive income/(loss) for the period, net of tax	283	5,752	(1,023)	9,110
Total comprehensive income for the period	17,004	59,612	121,620	198,861
Total comprehensive income/(loss) for the period attributable to :				
Equity holders of the Company	22,317	61,501	120,912	203,764
Non-controlling interest	(5,313)	(1,889)	708	(4,903)
	17,004	59,612	121,620	198,861

(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 31 DECEMBER 2014

	AS AT CURRENT QUARTER 31.12.2014	AS AT FINANCIAL YEAR ENDED 31.12.2013
	UNAUDITED RM'000	AUDITED RM'000
ASSETS		
<u>Non-current assets</u>		
Property, plant and equipment	237,361	271,650
Land held for property development	994,166	640,379
Investment properties	737,814	653,006
Investment in associates	132,361	127,584
Investment in joint ventures	395,384	315,694
Trade receivables	1 653,928	542,390
Other receivables	1 300,215	281,659
Due from related parties	9,919	14,757
Deferred tax assets	21,445	16,028
	<u>3,482,593</u>	<u>2,863,147</u>
<u>Current assets</u>		
Property development costs	415,023	304,584
Inventories	90,710	75,575
Trade receivables	876,644	706,815
Other receivables	145,556	283,993
Due from related parties	215,000	252,876
Tax recoverable	24,730	8,508
Other investments and marketable securities	-	65,721
Cash and bank balances	950,841	973,403
	<u>2,718,504</u>	<u>2,671,475</u>
TOTAL ASSETS	<u>6,201,097</u>	<u>5,534,622</u>
EQUITY AND LIABILITIES		
<u>Equity attributable to equity</u>		
<u>holders of the Company</u>		
Share capital	546,276	546,231
Share premium	2,174,151	2,173,973
Reserves	(465,227)	(515,898)
Less: Treasury shares, at costs	(27,266)	-
	<u>2,227,934</u>	<u>2,204,306</u>
Non-controlling interest	52,763	52,055
Total equity	<u>2,280,697</u>	<u>2,256,361</u>

WCT HOLDINGS BERHAD

(Company Number : 930464-M)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014 (Cont'd.)

		AS AT CURRENT QUARTER 31.12.2014	AS AT FINANCIAL YEAR ENDED 31.12.2013
		UNAUDITED RM'000	AUDITED RM'000
EQUITY AND LIABILITIES (Cont'd)			
<u>Long-term liabilities</u>			
Trade payables	2	90,504	65,816
Other payables	2	325,802	390,279
Borrowings		1,846,400	1,553,072
Deferred tax liabilities		35,400	37,845
		2,298,106	2,047,012
<u>Current liabilities</u>			
Trade payables		862,117	615,799
Other payables		162,865	226,928
Borrowings		584,112	369,068
Tax payable		13,200	19,454
		1,622,294	1,231,249
Total Liabilities		3,920,400	3,278,261
TOTAL EQUITY AND LIABILITIES		6,201,097	5,534,622
Net asset per share (RM)		2.04	2.02

(1) Included receivables of RM292 million in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecourse project.

(2) Included payables of RM292 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.)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

	Attributable to Equity Holders of the Company										Total equity		
	Non-Distributable					Distributable							
	Share capital	Share premium	Treasury shares	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 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	-	-	-	-	-	-	6,243	-	-	-	-	197,548	197,548
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-	-	(27)	-	-	6,216
Total comprehensive income for the period	-	-	-	-	-	-	6,243	-	-	(27)	-	197,548	203,764
Dividends paid to shareholders	-	-	-	-	-	-	-	-	-	-	-	(72,898)	(72,898)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Share options vested under ESOS	-	-	-	-	-	-	-	-	3,234	-	-	-	3,234
Share options vested under ESOS included in investment in joint ventures	-	-	-	-	-	-	-	-	107	-	-	-	107
Arising from share options exercised	3,238	7,381	-	-	-	-	-	-	-	-	-	-	10,619
Arising from conversion of warrants	67,173	181,850	-	-	-	-	-	-	-	-	-	-	249,023
Arising from internal reorganisation	-	1,554,791	-	(1,554,791)	-	-	-	-	-	-	-	-	-
Transfer within reserve for ESOS exercised	-	2,723	-	-	(33,142)	-	-	-	(2,723)	-	-	-	-
Transfer within reserve for warrants exercised	-	33,142	-	-	(578)	(232)	-	-	-	-	-	-	-
Transfer within reserve	-	-	-	-	-	-	-	-	-	-	810	-	-
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
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	52,055
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	4,440	-	-	(4,059)	-	-	708
Dividends paid to shareholders	-	-	-	-	-	-	-	-	-	-	-	(48,794)	(48,794)
Share dividends distributed to shareholders	-	-	23,321	-	-	-	-	-	-	-	-	(23,321)	-
Share options vested under ESOS	-	-	-	-	-	-	-	-	1,805	-	-	-	1,805
Share options vested under ESOS included in investment in joint ventures	-	-	-	-	-	-	-	-	101	-	-	-	101
Arising from share buy-back	-	-	-	(50,587)	-	-	-	-	-	-	-	-	(50,587)
Arising from share options exercised	37	120	-	-	-	-	-	-	-	-	-	-	157
Arising from conversion of warrants	8	26	-	-	-	-	-	-	-	-	-	-	34
Arising from internal reorganisation	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer within reserve for ESOS exercised	-	28	-	-	-	-	-	-	(28)	-	-	-	-
Transfer within reserve for warrants exercised	-	4	-	-	(4)	(77)	-	-	-	-	-	-	-
Transfer within reserve	-	-	-	-	-	-	-	-	-	-	77	-	-
At 31 December 2014	546,276	2,174,151	(27,266)	(1,554,791)	53,023	140	(99,337)	2,846	5,169	23,670	1,438	1,102,615	2,227,934
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	52,763
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-	2,280,697

(The condensed consolidated statement of changes in equity 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 FOURTH QUARTER ENDED 31 DECEMBER 2014

	UNAUDITED CUMULATIVE PERIOD CURRENT YEAR TO DATE 31.12.2014 RM'000	CUMULATIVE PERIOD PRECEDING YEAR CORRESPONDING 31.12.2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	151,126	254,243
Adjustments for:-		
Non-cash items	15,941	(19,934)
Non-operating items - financing	27,064	24,401
Non-operating items - investing	(15,239)	(69,266)
Operating profit before working capital changes	<u>178,892</u>	<u>189,444</u>
Net changes in current assets	(648,657)	(495,635)
Net changes in current liabilities	145,770	(137,969)
Cash flows used in operations	<u>(323,995)</u>	<u>(444,160)</u>
Interest paid	(85,834)	(76,777)
Interest received	39,615	36,857
Taxation paid	(58,825)	(64,400)
Net cash used in operating activities	<u>(429,039)</u>	<u>(548,480)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments in joint venture	-	(25,241)
Proceed from disposal of subsidiary	-	80,412
Proceed from disposal of associates	-	41,005
Proceed from disposal of other investment	-	8,510
Property, plant and equipment	(2,756)	(24,831)
Investment Properties	(68,418)	(173,431)
Property held for sale	-	1,182
Dividend received from associates	1,655	6,508
Refund of share application monies from associates	2,799	2,763
Redemption of Cumulative Redeemable Preference Share	4,369	-
Disposal/(Purchase) of marketable securities	65,721	(65,721)
Withdrawal/(placement) in		
- FSRA account	102,274	(100,284)
- deposits in licensed banks	(6,842)	9,862
Net cash generated from/(used in) investing activities	<u>98,802</u>	<u>(239,266)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from share options exercised	157	10,619
Proceed from conversion of warrants	34	249,023
Purchase of treasury shares	(50,587)	-
Dividend paid to shareholders	(48,794)	(72,898)
Bank borrowings	498,301	407,346
Net cash generated from financing activities	<u>399,111</u>	<u>594,090</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	68,874	(193,656)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	867,524	1,059,466
Foreign exchange differences	1,245	1,714
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD *	<u>937,643</u>	<u>867,524</u>

* Cash & cash equivalents excludes fixed deposits with licensed bank amounting to RM770,000 and deposits with maturities more than 3 months amounting to RM6,999,269.

(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 FOURTH QUARTER ENDED 31
DECEMBER 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

Description	Effective for annual periods beginning on or after
• 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 3 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 31 December 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 73,000 new ordinary shares of RM0.50 each pursuant to the exercise of the ESOS at the exercise price of RM2.05 to 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 25,775,800 ordinary share of RM0.50 each of its issued share capital from the open market, at an average costs of RM1.82 each. The total consideration paid for the share buy-back including transaction costs during the current financial quarter and financial year to date amounted to RM25.583 million and RM50.587 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. On 10 October 2014, 10,809,930 treasury shares were distributed to the shareholders on the basis of one (1) Treasury Share for every one hundred (100) ordinary shares of RM0.50 each held at the entitlement date on 15 September 2014, fractions of treasury shares was disregarded.

	No of Treasury Shares 000	Treasury Shares RM'000
Balance as at 1 January 2014	-	-
Repurchased during the period	25,776	50,587
Distributed as dividend during the period	(10,810)	(23,321)
	<u>14,966</u>	<u>27,266</u>
Balance as at 31 December 2014	<u>14,966</u>	<u>27,266</u>

None of the treasury shares held were resold or cancelled during the quarter and financial year 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
12 months period ended 31 December 2014						
Revenue						
External	1,210,582	391,722	59,918			1,662,222
Inter segment	723,992	7,682	-		(731,674)	-
	<u>1,934,574</u>	<u>399,404</u>	<u>59,918</u>	<u>-</u>	<u>(731,674)</u>	<u>1,662,222</u>
Segment results						
Profit from operations	93,903	73,529	34,990	-	-	202,422
Finance costs						(66,678)
Share of profits of associates	-	-	-	8,393	-	8,393
Share of profits of joint ventures	-	1,087	5,902	-	-	6,989
Taxation						(28,483)
Profit for the period						<u>122,643</u>
Profit attributable to :-						
- Equity holders of the Company						120,531
- Non-controlling interest						2,112
						<u>122,643</u>
12 months period ended 31 December 2013						
Revenue						
External	1,168,388	425,070	61,493	-	-	1,654,951
Inter segment	924,663	10,741	-	-	(935,404)	-
	<u>2,093,051</u>	<u>435,811</u>	<u>61,493</u>	<u>-</u>	<u>(935,404)</u>	<u>1,654,951</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 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						(7,797)
						<u>189,751</u>

A10 Carrying Amount Of Revalued Assets

During the period under review, certain investment properties were revalued which results in a net increase of approximately RM10 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 2013.

A11 Subsequent Material Events

There were no material events subsequent to the reporting period up to 19 February 2015 (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.

- (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.
- (c) On 23 October 2014, WCTL has acquired two (2) ordinary shares of RM1.00 each at par representing the entire issued and paid-up share capital of WCT Malls Management Sdn. Bhd. ("WCTMM") for a total cash consideration of RM2.00.

WCTMM 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 19 February 2015 (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 RM746.324 million and RM28.091 million respectively provided by the Group to various parties in the ordinary course of business and tax matters under appeal amounting to RM3.6 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	221,924	25,064
Discharged/paid during the period	<u>(239,655)</u>	<u>(25,749)</u>
Balance as at 19 February 2015	<u><u>746,324</u></u>	<u><u>28,091</u></u>

(b) The tax matters under appeal of the Group totaling RM3.6 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	118,344
Land	103,843
Investment property	355,439
Share of capital commitment of joint operations	<u>87,954</u>
	<u><u>665,580</u></u>

A15 Significant Related Party Transactions

<u>The Group</u>	RM'000
Contract revenue from joint ventures	42,943
Rent expense payable to a joint venture	(55)
Interest receivable from joint ventures	4,331
Management fee receivable from joint ventures	228
Sales of properties to Directors and persons connected with the Directors	<u><u>31,706</u></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 RM322 million and RM17 million respectively as compared to RM263 million and RM54 million respectively in the preceding year corresponding quarter.

For the current year to date, the Group recorded revenue and net profit of RM1,662 million and RM123 million respectively as compared to RM1,655 million and RM190 million respectively in the preceding year corresponding period. The decrease in net profit is mainly due to lower project and property development margin.

Civil engineering and construction segment recorded revenue and operational profit of RM1,211 million (2013:RM1,168 million) and RM94 million (2013:RM129 million) respectively. The decrease in operating profit is attributable to lower project margin from local division.

Property development and investment segments registered revenue and operational profit of RM452 million (2013:RM487 million) and RM109 million (2013:RM173 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 lower at 1.86 sen as compared to 5.16 sen recorded in the preceding year corresponding quarter.

Basic earning per share for current cumulative period is lower at 11.05 sen as compared to 18.40 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 RM322 million and RM17 million as compared to RM471 million and RM26 million reported in the immediate preceding quarter.

B3 Profit for the period

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING
	QUARTER	CORRESPONDING	TO DATE	YEAR
	(3 months period To 31.12.2014)	(3 months period To 31.12.2013)	(12 months period To 31.12.2014)	(12 months period To 31.12.2013)
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after crediting/ (charging):				
Interest income	9,267	20,107	39,615	43,230
Interest expense	(22,124)	(19,934)	(66,678)	(67,631)
Depreciation and amortisation	(1,816)	(4,854)	(8,171)	(9,936)
Bad debts written off	(29)	(744)	(3,001)	(9,320)
Property, plant and equipment written off	-	(904)	(14)	(904)
Impairment of property, plant and equipment	(26)	(444)	(26)	(444)
Impairment of trade and other receivables	(4,627)	(13,111)	(3,636)	(13,111)
Diminution in value of investment in joint operation	-	-	(1,988)	-
(Loss)/gain on disposal of property, plant and equipment	(6,131)	3,870	(8,128)	3,975
Gain on disposal of stock properties	-	-	-	709
(Loss)/gain on foreign exchange	30,420	15,518	28,892	35,727

B4 Prospect For Financial Year 2015

Despite 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	PRECEDING YEAR CORRESPONDING	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING
	(3 months period To 31.12.2014)	(3 months period To 31.12.2013)	(12 months period To 31.12.2014)	(12 months period To 31.12.2013)
	RM'000	RM'000	RM'000	RM'000
Taxation comprises:				
Income tax				
- current year	5,433	10,230	41,738	61,983
- prior years	(3,035)	2,837	(5,388)	3,720
Deferred taxation	(2,591)	(1,509)	(7,867)	(1,211)
	<u>(193)</u>	<u>11,558</u>	<u>28,483</u>	<u>64,492</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 31 December 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 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 corresponding 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.

B7 Status of Corporate Proposals Announced

The Group did not announce any corporate proposal which has not been completed as at 19 February 2015 (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 31.12.2014 RM'000	As at 31.12.2013 RM'000
Total retained profits of the Company and its subsidiaries:-		
- Realised	1,013,315	1,007,374
- Unrealised	142,273	133,279
	<u>1,155,588</u>	<u>1,140,653</u>
Total share of retained profits/(losses) from associates:-		
- Realised	99,566	92,818
- Unrealised	(337)	(327)
	<u>99,229</u>	<u>92,491</u>
Total share of (accumulated losses)/retained profits from jointly arrangement:-		
- Realised	(47,851)	(65,292)
- Unrealised	131,184	140,032
	<u>83,333</u>	<u>74,740</u>
Less : Consolidation adjustment	<u>(235,535)</u>	<u>(253,762)</u>
Total Group retained profits as per consolidated accounts	<u><u>1,102,615</u></u>	<u><u>1,054,122</u></u>

B9 Group Borrowing And Debt Securities

Detail of group borrowings are as follows:-

	As at 31.12.2014 RM'000	As at 31.12.2013 RM'000
Long Term Bank Borrowings		
<u>Secured:-</u>		
Long Term Loan	246,400	268,000
Hire Purchase Creditors	-	7
	<u>246,400</u>	<u>268,007</u>
<u>Unsecured:-</u>		
Sukuk Murabahah	600,000	-
MTN	1,000,000	1,000,000
BONDS	-	285,065
	<u>1,600,000</u>	<u>1,285,065</u>
	<u>1,846,400</u>	<u>1,553,072</u>
Short Term Bank Borrowings		
<u>Secured :-</u>		
Hire Purchase Creditors	7	124
Revolving Credit	88,000	-
Term Loans	55,242	12,000
	<u>143,249</u>	<u>12,124</u>
<u>Unsecured :-</u>		
Bank Overdraft	5,429	2,679
BONDS	292,385	-
Revolving credit	43,049	-
IMTN	100,000	300,000
Term loan	-	54,265
	<u>440,863</u>	<u>356,944</u>
	<u>584,112</u>	<u>369,068</u>
Total Bank Borrowings	<u>2,430,512</u>	<u>1,922,140</u>

Key:

Sukuk Murabahah- RM1.5 billion Sukuk Murabahah Programme

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 19 February 2015 (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 of First Instance 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.

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 on-going.

On 24 March 2013, the Employer filed a notice of appeal to the Dubai Court of Appeal against the dismissal of the Civil Suit by the Court of First Instance insofar as it concerns Meydan’s counterclaims against the Company. On 26 November 2014, the Dubai Court of Appeal confirmed that the arbitral proceedings in DIAC Case No. 02/2009 continue insofar as they concern all outstanding issues between the Company and Meydan and suspended Meydan’s Civil Suit until the Final Award to be issued in DIAC Case No. 02/2009.

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 in DIAC Case No. 02/2009 remain good.

B11 Dividends

	Paid in Year Ended 31 Dec 2014 RM'000	Paid in Year Ended 31 Dec 2013 RM'000
<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	-
<u>Interim dividend paid</u>		
For the financial year ended 31 December 2014		
- Single tier dividend of 1.25 sen per ordinary share of RM0.50	13,516	-
- Single tier dividend of one (1) Treasury Share for every one hundred (100) ordinary shares of RM0.50 each	23,321	-
Total net dividend paid	<u>72,115</u>	<u>72,898</u>

Subject to the shareholders' approval at the forthcoming Annual General Meeting, the Directors recommended final single tier dividend comprising :

- i) Cash dividend of 1.00 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 to be disregarded.

B12 Earnings Per Share

	Reporting Quarter 31.12.2014	Current Year To Date 31.12.2014
(a) Basic Earnings Per Share		
Profit attributable to the equity holders of the parent (RM'000)	20,287	120,531
Weighted average number of ordinary shares in issue ('000)	1,091,450	1,091,251
Basic earnings per share (sen)	1.86	11.05
(b) Fully Diluted Earnings Per Share		
Profit attributable to the equity holders of the parent (RM'000)	20,287	120,531
Weighted average number of ordinary shares in issue ('000)	1,091,450	1,091,251
Effects of dilution:		
Share options ('000)	256	256
Warrants ('000)	4,727	4,727
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,096,433	1,096,234
Fully diluted earnings per share (sen)	1.85	11.00

B13 Comparative Figures

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

Date: 25th February 2015