



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

Date : 24 November 2015

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL
PERIOD ENDED 30 SEPTEMBER 2015**

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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 2015**

(The figures have not been audited)

CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 30.9.2015) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 30.9.2014) RM'000	CURRENT YEAR TO DATE (9 months to 30.9.2015) RM'000	PRECEDING YEAR CORRESPONDING (9 months to 30.9.2014) RM'000
Revenue	371,804	471,106	1,145,734	1,339,800
Cost of sales	(313,369)	(424,716)	(986,599)	(1,134,708)
Gross profit	58,435	46,390	159,135	205,092
Other income	89,292	18,281	151,059	27,629
Other expenses	(8,148)	(5,073)	(23,731)	(14,669)
Administrative expenses	(19,390)	(16,734)	(53,480)	(51,778)
Finance costs	(21,290)	(14,682)	(60,707)	(44,554)
Share of profit after tax of associates	485	3,482	5,096	8,037
Share of profit after tax of joint ventures	1,540	709	10,093	4,841
	100,924	32,373	187,465	134,598
Income tax expense	(15,259)	(6,050)	(39,555)	(28,676)
Profit for the period	85,665	26,323	147,910	105,922
Attributable to:				
Equity holders of the Company	85,914	25,849	150,184	100,244
Non-controlling interest	(249)	474	(2,274)	5,678
Profit for the period	85,665	26,323	147,910	105,922
Attributable to equity holders of the Company :				
Basic earnings per share (sen)	7.43	2.31 [^]	13.39	8.95 [^]
Fully diluted earnings per share (sen)	7.41	2.14 [^]	13.36	8.32 [^]

(The consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 rights issues of shares and bonus issue of warrants were issued on 1 January 2014.

WCT HOLDINGS BERHAD

(Company Number : 930464-M)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2015**

(The figures have not been audited)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 30.9.2015) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 30.9.2014) RM'000	CURRENT YEAR TO DATE (9 months to 30.9.2015) RM'000	PRECEDING YEAR CORRESPONDING (9 months to 30.9.2014) RM'000
Profit for the period	85,665	26,323	147,910	105,922
Other comprehensive income/(loss): Currency translation differences arising from consolidation	22,442	343	33,461	(1,306)
Other comprehensive income/(loss) for the period, net of tax	22,442	343	33,461	(1,306)
Total comprehensive income for the period	108,107	26,666	181,371	104,616
Total comprehensive income/(loss) for the period attributable to :				
Equity holders of the Company	103,414	22,562	176,400	98,595
Non-controlling interest	4,693	4,104	4,971	6,021
	108,107	26,666	181,371	104,616

(The consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 2015

	AS AT CURRENT QUARTER 30.9.2015	AS AT FINANCIAL YEAR ENDED 31.12.2014
	UNAUDITED RM'000	AUDITED RM'000
ASSETS		
<u>Non-current assets</u>		
Property, plant and equipment	235,470	235,656
Land held for property development	1,257,244	991,553
Investment properties	821,753	737,813
Investment in associates	151,629	132,361
Investment in joint ventures	443,626	395,384
Trade receivables	1 680,349	653,928
Other receivables	1 369,845	300,215
Due from related parties	9,832	9,919
Deferred tax assets	17,393	21,445
	<u>3,987,141</u>	<u>3,478,274</u>
<u>Current assets</u>		
Property development costs	444,951	423,173
Inventories	141,748	90,710
Trade receivables	836,898	876,644
Other receivables	305,323	167,643
Due from related parties	157,153	214,999
Tax recoverable	36,044	24,730
Cash and bank balances	675,912	950,841
	<u>2,598,029</u>	<u>2,748,740</u>
TOTAL ASSETS	<u>6,585,170</u>	<u>6,227,014</u>
EQUITY AND LIABILITIES		
<u>Equity attributable to equity</u>		
<u>holders of the Company</u>		
Share capital	600,243	546,276
Share premium	2,228,127	2,174,151
Reserves	(311,878)	(458,781)
Treasury shares, at costs	(25,881)	(27,266)
	<u>2,490,611</u>	<u>2,234,380</u>
Non-controlling interest	<u>57,733</u>	<u>52,762</u>
Total equity	<u>2,548,344</u>	<u>2,287,142</u>

WCT HOLDINGS BERHAD
(Company Number : 930464-M)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015 (Cont'd.)

		AS AT CURRENT QUARTER 30.9.2015	AS AT FINANCIAL YEAR ENDED 31.12.2014
		UNAUDITED RM'000	AUDITED RM'000
EQUITY AND LIABILITIES (Cont'd)			
<u>Long-term liabilities</u>			
Trade payables	2	128,771	89,379
Other payables	2	402,926	328,370
Borrowings		1,909,224	1,846,400
Deferred tax liabilities		36,938	35,400
		2,477,859	2,299,549
<u>Current liabilities</u>			
Trade payables		669,062	835,482
Other payables		202,785	207,529
Borrowings		672,796	584,112
Tax payable		14,324	13,200
		1,558,967	1,640,323
Total Liabilities		4,036,826	3,939,872
TOTAL EQUITY AND LIABILITIES		6,585,170	6,227,014
Net asset per share (RM)		2.22	2.07

(1) Included receivables of RM353 million in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecourse project.

(2) Included payables of RM353 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 2014 and the accompanying explanatory notes attached to the interim financial statements.)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

	Attributable to Equity Holders of the Company										Non-controlling interest	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 2014	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
Profit for the period	-	-	-	-	-	-	(1,649)	-	-	-	-	100,244	100,244
Other comprehensive income/(loss)	-	-	-	-	-	-	(1,649)	-	-	-	-	(1,649)	(1,649)
Total comprehensive income for the period	-	-	-	-	-	-	(1,649)	-	-	-	-	100,244	98,595
Dividends paid to shareholders	-	-	-	-	-	-	-	-	-	-	-	(35,278)	(35,278)
Arising from share buy-back	-	-	(25,005)	-	-	-	-	-	-	-	-	(35,278)	(35,278)
Arising from share options exercised	33	107	-	-	-	-	-	-	-	-	-	140	140
Arising from conversion of warrants	8	26	-	-	-	-	-	-	-	-	-	34	34
Transfer within reserve for ESOS exercised	-	26	-	-	-	-	(26)	-	-	-	-	-	-
Transfer within reserve for warrants exercised	-	4	-	(4)	-	-	-	-	-	-	-	-	-
Transfer within reserve	-	-	-	-	-	(80)	-	-	-	-	-	80	-
At 30 September 2014	546,272	2,174,136	(25,005)	(1,554,791)	53,023	137	(105,426)	2,846	3,265	27,729	1,438	1,119,168	2,242,792
<i>Current year to date</i>													
At 1 January 2015	546,276	2,174,151	(27,266)	(1,554,791)	53,023	140	(99,337)	2,846	5,169	23,670	1,438	1,109,061	2,234,380
Profit for the period	-	-	-	-	-	-	26,216	-	-	-	-	150,184	150,184
Other comprehensive income/(loss)	-	-	-	-	-	-	26,216	-	-	-	-	26,216	26,216
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	26,216	-	-	-	-	150,184	176,400
Dividends paid to shareholders	-	-	-	-	-	-	-	-	-	-	-	(10,750)	(10,750)
Share dividends distributed to shareholders	-	-	20,628	-	-	-	-	-	-	-	-	(20,628)	-
Share options vested under ESOS	-	-	-	-	-	-	-	-	1,881	-	-	1,881	1,881
Arising from share buy-back	-	-	-	-	-	-	-	-	-	-	-	(19,243)	(19,243)
Arising from conversion of warrants	4	13	-	-	-	-	-	-	-	-	-	17	17
Arising from rights issue	53,963	53,963	-	-	-	(63)	-	-	-	-	-	107,926	107,926
Transfer within reserve	-	-	-	-	-	-	-	-	-	-	-	63	-
At 30 September 2015	600,243	2,228,127	(25,881)	(1,554,791)	53,023	77	(73,121)	2,846	7,050	23,670	1,438	1,227,930	2,490,611
													58,076
													2,300,868
													52,762
													147,910
													7,245
													4,971
													(10,750)
													1,881
													(19,243)
													17
													107,926
													57,733
													2,548,344

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 2015

	UNAUDITED CUMULATIVE PERIOD CURRENT YEAR TO DATE 30.9.2015 RM'000	CUMULATIVE PERIOD PRECEDING YEAR CORRESPONDING 30.9.2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	187,465	134,598
Adjustments for:-		
Non-cash items	(109,455)	7,225
Non-operating items - financing	28,628	14,206
Non-operating items - investing	(15,466)	(10,867)
Operating profit before working capital changes	<u>91,172</u>	<u>145,162</u>
Net changes in current assets	(367,517)	(480,808)
Net changes in current liabilities	(56,700)	(161,579)
Cash flows used in operations	<u>(333,045)</u>	<u>(497,225)</u>
Interest paid	(79,929)	(55,330)
Interest received	32,079	30,348
Taxation paid	(44,156)	(47,313)
Net cash used in operating activities	<u>(425,051)</u>	<u>(569,520)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment	(12,942)	(17,895)
Investment Properties	(76,828)	(4,617)
Dividend received from associates	5,039	1,655
Refund of share application monies from associates	3,195	-
Redemption of cumulative redeemable preference shares from associates	7,787	-
Disposal of marketable securities	-	65,721
Withdrawal/(placement) in		
- FSRA account	-	102,274
- deposits in licensed banks	(1,500)	(6,778)
Net cash (used in)/generated from investing activities	<u>(75,249)</u>	<u>140,360</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from rights issue of shares	107,926	-
Proceed from share options exercised	-	140
Proceed from conversion of warrants	17	34
Purchase of treasury shares	(19,243)	(25,005)
Dividend paid to shareholders	(10,750)	(35,278)
Bank borrowings	121,245	(120,015)
Net cash generated from/(used in) financing activities	<u>199,195</u>	<u>(180,124)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	(301,105)	(609,284)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	944,482	867,524
Foreign exchange differences	173	2,126
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD *	<u>643,550</u>	<u>260,366</u>

* Cash & cash equivalents excludes fixed deposits with licensed bank amounting to RM770,000 and deposits with maturities more than 3 months amounting to RM1,660,347.

(The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 2015**

**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 2014. 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 2014.

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 2014, except for the adoption of the following new Financial Reporting Standards (“FRSs”) and Amendments to FRSs with effect from 1 January 2015.

FRSs, Amendments to FRSs and Interpretations

Description	Effective for annual periods beginning on or after
• 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

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

A2 Changes in Accounting Policies (Cont'd)

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").

On 8 September 2015, the MASB announced that the effective date of MFRS 15 Revenue from Contracts with Customers will be deferred to annual periods beginning on or after 1 January 2018.

As a result, the effective date for Transitioning Entities (TEs) to apply the Malaysian Financial Reporting Standards (MFRSs) will also be deferred to annual periods beginning on or after 1 January 2018.

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 2018. 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 2018.

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 2014.

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 2015.

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.

Share buy back

The Company repurchased 13,349,700 ordinary share of RM0.50 each of its issued share capital from the open market, at an average costs of RM1.44 each. The total consideration paid for the share buy-back including transaction costs during the current financial quarter and cumulative financial quarter amounted to RM5.621 million and RM19.243 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 16 June 2015, 10,745,734 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 26 May 2015, fractions of treasury shares was disregarded.

	No of Treasury Shares '000	Treasury Shares RM'000
Balance as at 1 January 2015	14,966	27,266
Repurchased during the period	13,350	19,243
Distributed as dividend during the period	<u>(10,746)</u>	<u>(20,628)</u>
Balance as at 30 September 2015	<u>17,570</u>	<u>25,881</u>

None of the treasury shares held were resold or cancelled during the quarter under review.

A8 Dividends

Please refer to Explanatory Note B11.

A9 Segmental Information

	Engineering and construction	Property development	Property investment and management	Unallocated	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
9 months period ended 30 September 2015						
Revenue						
External	827,177	274,432	44,125	-	-	1,145,734
Inter segment	504,513	5,861	-	-	(510,374)	-
	<u>1,331,690</u>	<u>280,293</u>	<u>44,125</u>	<u>-</u>	<u>(510,374)</u>	<u>1,145,734</u>
Segment results						
Profit from operations	158,804	58,348	15,831	-	-	232,983
Finance costs						(60,707)
Share of profits of associates	-	-	-	5,096	-	5,096
Share of profits of joint ventures	-	2,756	7,337	-	-	10,093
Taxation						(39,555)
Profit for the period						<u>147,910</u>
Profit attributable to :-						
- Equity holders of the Company						150,184
- Non-controlling interest						(2,274)
						<u>147,910</u>
9 months period ended 30 September 2014						
Revenue						
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>
Segment results						
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						5,678
						<u>105,922</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 2014.

A11 Subsequent Material Events

There were no material events subsequent to the reporting period up to 18 November 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

- (i) On 8 March 2015, WCT Berhad, a wholly-owned subsidiary of the Company, via a joint venture with Al-Ali Projects Co (W.L.L.) has accepted a contract from Lusail Real Estate Development Company for all the works relating to Contract No. CP07-C-1B – Commercial Boulevard Road D3, Road A4, Internal Roads, Utilities and Underground Car Parks 2, 3, 4 and 5 for Lusail Development Project in Doha, Qatar.

The Joint Venture is an unincorporated joint venture between WCTB and Al-Ali Projects Co (W.L.L.), a company incorporated in Qatar. The rights and liabilities of WCTB and Al-Ali Projects Co (W.L.L.) in the joint venture are in the ratio of 70:30.

- (ii) On 19 March 2015, WCT Land Sdn Bhd, a wholly-owned subsidiary of the Company, has incorporated a wholly-owned subsidiary company, WCT Land and Development (Australia) Pty Ltd ("WCTLD").

WCTLD is a company incorporated in Victoria, Australia, has an issued and paid up share capital of AUD1.00 divided into 1 ordinary share of AUD1.00 each. WCTLD is currently dormant and no liabilities will be assumed pursuant to the incorporation.

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 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 RM760.835 million and RM16.747 million respectively provided by the Group to various parties in the ordinary course of business and tax matters under appeal amounting to RM4.4 million. The changes in contingent liabilities since 19 February 2015 are as follows:-

(a)	Bank Guarantees RM'000	Letter of credit RM'000
Balance as at 19 February 2015	746,324	28,091
Extended/utilised during the period	167,774	3,380
Discharged/paid during the period	<u>(153,263)</u>	<u>(14,724)</u>
Balance as at 18 November 2015	<u>760,835</u>	<u>16,747</u>

(b) The tax matters under appeal of the Group totaling RM4.4 million are in respect of corporation tax and service tax of a foreign subsidiary.

A14 Contingent Assets

	RM'000
Contingent assets arising from the Final Award of the arbitration Tribunal in DIAC Case No. 02/2009, dated 5 July 2015 (Note B10 material litigation)	<u>776,970</u>

A15 Capital Commitments

There are no material commitments except for as follows:-

	RM'000
Approved and contracted for :	
Property, plant and equipment	100,167
Investment property	325,857
Share of capital commitment of joint operations	<u>81,147</u>
	<u>507,171</u>

A16 Significant Related Party Transactions

<u>The Group</u>	RM'000
Contract revenue from joint ventures	24,201
Rent expense payable to a joint venture	(42)
Interest receivable from joint ventures	7,351
Management fee receivable from joint ventures	2,365
Sales of properties to Directors and persons connected with the Directors	<u>3,471</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 attributable to equity holders of RM372 million and RM86 million respectively as compared to RM471 million and RM26 million respectively in the preceding year corresponding quarter. The decrease in revenue is mainly due to lower contribution from construction segment. However, net profit is significantly higher by 231% or RM60 million mainly attributable to foreign exchange gain.

For the current year to date, the Group recorded revenue and profit attributable to equity holders of RM1,146 million and RM150 million respectively as compared to RM1,340 million and RM100 million respectively in the preceding year corresponding period. Despite the lower revenue, net profit increased by 50% amounted to RM50 million.

Engineering and construction

This segment recorded revenue and operational profit of RM827 million and RM159 million as compared to RM949 million and RM87 million reported in the preceding year corresponding period.

Property development and investment

This segment recorded revenue and operational profit of RM319 million and RM74 million as compared to RM390 million and RM80 million reported in the preceding year corresponding period.

Basic earning per share for current quarter increased to 7.43 sen as compared to 2.31 sen recorded in the preceding year corresponding quarter.

Basic earning per share for current cumulative period improved by approximately 50% to 13.39 sen as compared to 8.95 sen recorded in the preceding year corresponding period.

B2 Comparison With Immediate Preceding Quarter's Results

For the current quarter under review, the Group recorded revenue and profit attributable to equity holders of RM372 million and RM86 million as compared to RM422 million and RM31 million reported in the immediate preceding quarter. Despite the lower revenue, net profit increased significantly by 177% amounted to RM55 million.

B3 Profit for the period

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR	CURRENT YEAR TO DATE	PRECEDING YEAR
		CORRESPONDIN G		CORRESPONDING
	(3 months period To 30.9.2015) RM'000	(3 months period To 30.9.2014) RM'000	(9 months period To 30.9.2015) RM'000	(9 months period To 30.9.2014) RM'000
Profit for the period is arrived at after crediting/ (charging):				
Interest income	4,431	2,841	10,363	13,973
Interest from joint ventures	3,085	7,071	7,351	10,175
Murabahah & Mudarabah profit	2,246	-	9,222	-
Interest expense	(21,290)	(14,682)	(60,707)	(44,554)
Depreciation and amortisation	(1,874)	(2,969)	(5,555)	(6,355)
Bad debts written off	(2)	23	(2,656)	(2,972)
Property, plant and equipment written off	(3)	-	(17)	(14)
Reversal of allowance for impairment of trade and other receivables	-	-	-	991
Provision for foreseeable losses for contract work in progress	-	(1,988)	-	(1,988)
Gain/(loss) on disposal of property, plant and equipment	39	(33)	248	(1,997)
Gain on disposal of stock properties	20	-	29	-
Gain/(loss) on foreign exchange	78,756	5,418	121,864	(1,528)

B4 Prospect For Financial Year 2015

With the impending implementation of 11th Malaysia Plan and roll out of mega infrastructure projects, the Group is cautiously optimistic to achieve satisfactory results for the financial year ending 31 December 2015.

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	CORRESPONDIN	TO DATE	CORRESPONDING
	To 30.9.2015)	G	To 30.9.2015)	To 30.9.2014)
	RM'000	To 30.9.2014)	RM'000	RM'000
		RM'000		
Taxation comprises:				
Income tax				
- current year	11,941	12,870	33,795	36,305
- prior years	(4,066)	(1,369)	(910)	(2,353)
Deferred taxation	7,384	(5,451)	6,670	(5,276)
	<u>15,259</u>	<u>6,050</u>	<u>39,555</u>	<u>28,676</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 2015 is lower than the statutory tax rate mainly due to unrealised foreign exchange gain which is not subject to income tax.

The Group's effective tax rate (excluding the results of associates and joint ventures which are equity accounted net of tax) for the corresponding cumulative period and quarter ended 30 September 2014 is lower than the statutory tax rate mainly due to certain income exempted from income tax.

B7 Status of Corporate Proposals Announced

- (a) Save as disclosed below, the Group did not announce any corporate proposal which has not been completed as at 18 November 2015 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).
- (i) On 7 August 2015, the Company announced the completion of the Rights Issue of Shares, following the listing of 107,926,234 Rights Shares on the Main Market of Bursa Malaysia Securities Berhad. Gross proceeds raised under the Right Issue of Shares amounted to RM107,926,234.
- (ii) On 4 September 2015, the Company announced the completion of the Bonus Issue of Warrants, following the listing of 236,621,145 Warrants E on the Main Market of Bursa Malaysia Securities Berhad.
- (b) Utilisation of proceeds raised from the Rights Issue of Shares as at 30 September 2015 are as follows:

Proceeds totaling RM107,926,234 were raised under the Right Issue of Shares. The status of the utilisation of the proceeds is as set out below:-

Purpose	Proposed Utilisation RM'000	Intended Timeframe for Utilisation	Actual	Balance	
			Utilisation as at 30 September 2015 RM'000	Amount RM'000	%
(i) Payment to suppliers	40,661	Within 24 months from 7 August 2015	10,339	30,322	75%
(ii) Payment to sub-contractors	65,265	Within 24 months from 7 August 2015	16,836	48,429	74%
(iii) Estimated expenses in relation to the Proposals	2,000	Upon completion	1,482	518	26%
Total	107,926		28,657	79,269	

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 30.9.2015 RM'000	As at 31.12.2014 RM'000
Total retained profits of the Company and its subsidiaries:-		
- Realised	1,026,260	1,019,761
- Unrealised	187,224	142,273
	<u>1,213,484</u>	<u>1,162,034</u>
Total share of retained profits/(losses) from associates:-		
- Realised	99,672	99,566
- Unrealised	(386)	(337)
	<u>99,286</u>	<u>99,229</u>
Total share of (accumulated losses)/retained profits from jointly arrangement:-		
- Realised	(16,611)	(30,566)
- Unrealised	129,419	130,747
	<u>112,808</u>	<u>100,181</u>
Less : Consolidation adjustment	<u>(197,648)</u>	<u>(252,383)</u>
Total Group retained profits as per consolidated accounts	<u>1,227,930</u>	<u>1,109,061</u>

B9 Group Borrowing And Debt Securities

Detail of group borrowings are as follows:-

	As at 30.9.2015 RM'000	As at 31.12.2014 RM'000
Long Term Bank Borrowings		
<u>Secured:-</u>		
Long Term Loan	309,224	246,400
	<u>309,224</u>	<u>246,400</u>
<u>Unsecured:-</u>		
Sukuk Murabahah	600,000	600,000
MTN	1,000,000	1,000,000
	<u>1,600,000</u>	<u>1,600,000</u>
	<u>1,909,224</u>	<u>1,846,400</u>
Short Term Bank Borrowings		
<u>Secured :-</u>		
Hire Purchase Creditors	-	7
Revolving Credit	88,000	88,000
Term Loans	21,600	21,600
	<u>109,600</u>	<u>109,607</u>
<u>Unsecured :-</u>		
Trust Receipt	5,870	-
Bank Overdraft	29,932	5,429
BONDS	298,144	292,385
Revolving credit	134,136	43,049
IMTN	-	100,000
Term loan	95,114	33,642
	<u>563,196</u>	<u>474,505</u>
	<u>672,796</u>	<u>584,112</u>
Total Bank Borrowings	<u><u>2,582,020</u></u>	<u><u>2,430,512</u></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 2014 (being the date of the last annual statement of financial position) to 18 November 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 (“the Cancellation”) of the Nad Al Sheba Racecourse, Dubai, U.A.E. contract (“the Contract”):

On 11 January 2009 the Company (jointly with Arabtec Construction LLC, (“Joint Venture”) as Claimants) commenced arbitration proceedings against Meydan Group LLC (formerly known as Meydan LLC, as Respondent) (“Meydan”) in relation to the Cancellation. In the course of the arbitration proceedings, the Joint Venture’s dispute and claims had been revised from time to time and eventually totaled approximately AED2.8 billion. Meydan eventually took the position that the DIAC Case No. 02/2009 had expired by effluxion of time. After deliberation, the arbitration Tribunal in DIAC Case No. 02/2009 had on 9 June 2012 rejected conclusively Meydan’s submission that the arbitration proceedings had expired by effluxion of time. Notwithstanding the arbitration Tribunal’s decision above, Meydan 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 Joint Venture, 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 had agreed to Meydan’s proposal (“Proposal”) for Arabtec and Meydan to withdraw all pending legal cases as between themselves without prejudice to their respective rights and to proceed with negotiations for an amicable settlement. Pursuant thereto, Arabtec and Meydan had withdrawn their respective claims and counterclaims as against themselves, from the DIAC Case 2/2009. The arbitration proceedings then continued as between the Company and Meydan in respect of the Company’s rights in its share of the Joint Venture’s claims namely approximately AED1.4 billion.

On 24 March 2013, Meydan 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. Both Meydan and the Company have filed an appeal to the Court of Cassation and the appeals are still pending.

B10 Material Litigation (Cont'd.)

On 8 July 2015, the Company received the Final Award of the arbitration Tribunal in DIAC Case No. 02/2009, dated 5 July 2015, where the Tribunal has found and ruled in favor of the Company, amongst others, that:-

1. Meydan's cancellation and purported termination of the Contract was unlawful, invalid and of no effect; and
2. Meydan was not entitled to call on the Joint Venture's Performance Bond and must repay the same.

Consequently, the Tribunal awarded to and in favor of the Company, and ordered Meydan to pay the Company, a total of AED1,152,651,192.68 (Arab Emirates Dirham One Billion, One Hundred and Fifty Two Million, Six Hundred and Fifty One Thousand, One Hundred and Ninety Two and Fils Sixty Eight) (approximately *RM1,197,258,793 [Ringgit Malaysia One Billion, One Hundred and Ninety Seven Million, Two Hundred and Fifty Eight Thousand, Seven Hundred and Ninety Three]). The Company is now undertaking the necessary legal proceedings for enforcement of the Award.

* Based on exchange rate as at 8 July 2015

B11 Dividends

	Paid in Year Ending 31 Dec 2015 RM'000	Paid in Year Ended 31 Dec 2014 RM'000
<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>Single tier interim dividend paid</u>		
For the financial year ended 31 December 2014		
- Cash dividend of 1.25 sen per ordinary share of RM0.50	-	13,516
- Share dividend of 1 treasury share for every 100 ordinary shares of RM0.50 each held	-	23,321
<u>Final dividend paid</u>		
For the financial year ended 31 December 2014		
- Cash dividend of 1.00 sen per ordinary share of RM0.50	10,750	-
- Share dividend of 1 treasury share for every 100 ordinary shares of RM0.50 each held	20,628	-
Total net dividend paid	31,378	72,115

The interim single tier dividend declared on 20 August 2015 was subsequently paid on 9 October 2015 comprising of the followings:

- 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 was disregarded.

B12 Earnings Per Share

	Reporting Quarter 30.9.2015	Current Year To Date 30.9.2015
(a) Basic Earnings Per Share		
Profit attributable to the equity holders of the parent (RM'000)	85,914	150,184
Weighted average number of ordinary shares in issue ('000)	1,156,493	1,121,762
Basic earnings per share (sen)	7.43	13.39
(b) Fully Diluted Earnings Per Share		
Profit attributable to the equity holders of the parent (RM'000)	85,914	150,184
Weighted average number of ordinary shares in issue ('000)	1,156,493	1,121,762
Effects of dilution:		
Share options ('000)	2,504	2,504
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,158,997	1,124,266
Fully diluted earnings per share (sen)	7.41	13.36

B13 Comparative Figures

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

Date: 24th November 2015