



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

Date : 29 May 2017

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL
PERIOD ENDED 31 MARCH 2017**

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WCT HOLDINGS BERHAD

(Company Number : 930464-M)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED INCOME STATEMENT FOR THE FIRST QUARTER ENDED
31 MARCH 2017**

(The figures have not been audited)

CONSOLIDATED INCOME STATEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2017

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 31.3.2017) RM'000	PRECEDING YEAR CORRESPONDING QUARTER (3 months to 31.3.2016) RM'000	CURRENT YEAR TO DATE (3 months to 31.3.2017) RM'000	PRECEDING YEAR CORRESPONDING PERIOD (3 months to 31.3.2016) RM'000
Revenue	473,393	484,964	473,393	484,964
Cost of sales	(415,039)	(418,610)	(415,039)	(418,610)
Gross profit	58,354	66,354	58,354	66,354
Other income	12,700	(13,788)	12,700	(13,788)
Other expenses	(3,624)	(4,750)	(3,624)	(4,750)
Administrative expenses	(18,085)	(18,342)	(18,085)	(18,342)
Finance costs	(12,254)	(13,436)	(12,254)	(13,436)
Share of profit after tax of associates	1,599	2,706	1,599	2,706
Share of profit after tax of joint ventures	6,152	6,448	6,152	6,448
	44,842	25,192	44,842	25,192
Income tax expense	(14,136)	(15,072)	(14,136)	(15,072)
Profit for the period	30,706	10,120	30,706	10,120
Attributable to:				
Equity holders of the Company	33,080	8,826	33,080	8,826
Non-controlling interest	(2,374)	1,294	(2,374)	1,294
Profit for the period	30,706	10,120	30,706	10,120
Attributable to equity holders of the Company :				
Basic earnings per share (sen)	2.64	0.72	2.64	0.72
Fully diluted earnings per share (sen)	2.60	0.72	2.60	0.72

(The consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 FIRST QUARTER ENDED
31 MARCH 2017**

(The figures have not been audited)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2017

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 31.3.2017) RM'000	PRECEDING YEAR CORRESPONDING QUARTER (3 months to 31.3.2016) RM'000	CURRENT YEAR TO DATE (3 months to 31.3.2017) RM'000	PRECEDING YEAR CORRESPONDING PERIOD (3 months to 31.3.2016) RM'000
Profit for the period	30,706	10,120	30,706	10,120
Other comprehensive income: Currency translation differences arising from consolidation	(6,252)	(23,235)	(6,252)	(23,235)
Other comprehensive income for the period, net of tax	(6,252)	(23,235)	(6,252)	(23,235)
Total comprehensive income for the period	24,454	(13,115)	24,454	(13,115)
Total comprehensive income for the period attributable to :				
Equity holders of the Company	27,000	(13,622)	27,000	(13,622)
Non-controlling interest	(2,546)	507	(2,546)	507
	24,454	(13,115)	24,454	(13,115)

(The consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 MARCH 2017

	AS AT CURRENT QUARTER 31.3.2017	AS AT FINANCIAL YEAR ENDED 31.12.2016
	UNAUDITED RM'000	AUDITED RM'000
ASSETS		
<u>Non-current assets</u>		
Property, plant and equipment	335,639	328,295
Land held for property development	1,453,779	1,437,443
Investment properties	1,164,237	1,124,808
Investment in associates	150,613	147,969
Investment in joint ventures	506,355	502,971
Trade receivables	1 835,279	827,821
Other receivables	1 357,529	362,691
Due from related parties	7,363	7,181
Deferred tax assets	20,985	20,334
	<u>4,831,779</u>	<u>4,759,513</u>
<u>Current assets</u>		
Property development costs	655,307	633,067
Inventories	129,616	131,956
Trade receivables	790,676	832,991
Other receivables	218,985	248,351
Due from related parties	366,614	270,091
Tax recoverable	12,571	9,381
Cash and bank balances	463,357	455,062
	<u>2,637,126</u>	<u>2,580,899</u>
TOTAL ASSETS	<u>7,468,905</u>	<u>7,340,412</u>
EQUITY AND LIABILITIES		
<u>Equity attributable to equity holders of the Company</u>		
Share capital	2,946,016	631,061
Share premium	-	2,310,960
Reserves	(1,507,351)	(1,500,600)
Retained earnings	1,367,980	1,334,897
Treasury shares, at costs	(12,198)	(12,198)
	<u>2,794,447</u>	<u>2,764,120</u>
Non-controlling interest	31,318	33,864
Total equity	<u>2,825,765</u>	<u>2,797,984</u>

WCT HOLDINGS BERHAD
(Company Number : 930464-M)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017 (Cont'd.)

		AS AT CURRENT QUARTER 31.3.2017	AS AT FINANCIAL YEAR ENDED 31.12.2016
		UNAUDITED RM'000	AUDITED RM'000
EQUITY AND LIABILITIES (Cont'd)			
<u>Non-current liabilities</u>			
Trade payables	2	153,744	173,518
Other payables	2	362,387	364,745
Borrowings		2,211,406	2,158,712
Deferred tax liabilities		42,958	40,955
		2,770,495	2,737,930
<u>Current liabilities</u>			
Trade payables		745,366	784,742
Other payables		205,725	183,183
Due to related parties		3,746	3,801
Borrowings		900,305	823,490
Tax payable		17,503	9,282
		1,872,645	1,804,498
Total Liabilities		4,643,140	4,542,428
TOTAL EQUITY AND LIABILITIES		7,468,905	7,340,412
Net asset per share (RM)		2.21	2.19

(1) Included receivables of RM266 million in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecourse project.

(2) Included payables of RM266 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 2016 and the accompanying explanatory notes attached to the interim financial statements.)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2017

	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
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 2016	600,410	2,228,460	(10,765)	(1,554,791)	53,023	77	(37,485)	2,846	8,645	61,273	1,438	1,257,122	2,610,253
Profit for the period	-	-	-	-	-	-	(22,448)	-	8,826	-	-	8,826	8,826
Other comprehensive income/(loss)	-	-	-	-	-	-	(22,448)	-	-	-	-	-	(22,448)
Total comprehensive income for the period	-	-	-	-	-	-	(22,448)	-	8,826	-	-	8,826	(13,622)
Arising from share buy-back	-	-	(1,417)	-	-	-	-	-	-	-	-	-	(1,417)
Arising from share options exercised	414	562	-	-	-	-	-	-	-	-	-	-	976
Arising from conversion of warrants	27,651	57,474	-	-	-	-	-	-	-	-	-	-	85,105
Transfer within reserve for ESOS exercised	-	265	-	-	-	-	-	-	(265)	-	-	-	-
Transfer within reserve for warrants exercised	-	18,665	-	-	(18,665)	-	-	-	-	-	-	-	-
Transfer within reserve for unexercised warrants	-	-	-	-	(34,358)	-	-	-	-	-	-	34,358	-
Transfer within reserve	-	-	-	-	-	(5)	-	-	-	-	-	5	-
At 31 March 2016	628,455	2,305,426	(12,182)	(1,554,791)	-	72	(59,933)	2,846	8,380	61,273	1,438	1,300,311	2,681,295
<i>Current year to date</i>													
At 1 January 2017	631,061	2,310,960	(12,198)	(1,554,791)	-	54	(17,956)	2,846	6,743	61,066	1,438	1,334,897	2,764,120
Profit for the period	-	-	-	-	-	-	(6,080)	-	-	-	-	33,080	30,706
Other comprehensive income/(loss)	-	-	-	-	-	-	(6,080)	-	-	-	-	-	(6,352)
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	(6,080)	-	-	-	-	33,080	(2,646)
Arising from share options exercised	3,004	322	-	-	-	-	-	-	-	-	-	-	3,326
Arising from conversion of warrants	1	668	-	-	-	-	-	-	(668)	-	-	-	1
Transfer within reserve for ESOS exercised	-	-	-	-	-	(3)	-	-	-	-	-	-	-
Transfer within reserve	-	-	-	-	-	-	-	-	-	-	-	3	-
Transition to no par value regime ⁽¹⁾	2,311,950	(2,311,950)	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2017	2,946,016	-	(12,198)	(1,554,791)	-	51	(24,036)	2,846	6,075	61,066	1,438	1,367,980	2,794,447
													31,318
													2,825,765

⁽¹⁾ Effective from 31 January 2017, the new Companies Act, 2016 ("the Act") abolished the concept of authorised share capital and par value of share capital. Consequently, the credit balance of the share premium becomes part of the Company's share capital pursuant to the transitional provision set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use this amount for purposes as set out in Section 618(3) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition. The share capital of RM2,946,016,446 is represented by 1,264,477,073 number of share as at 31 March 2017.

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 FIRST QUARTER ENDED 31 MARCH 2017

	UNAUDITED CUMULATIVE PERIOD CURRENT YEAR TO DATE 31.3.2017 RM'000	CUMULATIVE PERIOD PRECEDING YEAR CORRESPONDING PERIOD 31.3.2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	44,842	25,192
Adjustments for:-		
Non-cash items	3,455	21,993
Non-operating items - financing	5,405	8,099
Non-operating items - investing	(7,168)	(9,362)
Operating profit before working capital changes	<u>46,534</u>	<u>45,922</u>
Net changes in assets	(41,896)	(78,291)
Net changes in liabilities	(40,196)	(57,577)
Cash flows used in operations	<u>(35,558)</u>	<u>(89,946)</u>
Taxation paid	(7,753)	(7,734)
Net cash used in operating activities	<u>(43,311)</u>	<u>(97,680)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	6,849	5,336
Property, plant and equipment	(4,543)	(22,424)
Investment Properties	(32,753)	(34,681)
Placement in deposits with licensed banks	(1,332)	(2,031)
Net cash used in investing activities	<u>(31,779)</u>	<u>(53,800)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(34,869)	(30,617)
Proceed from share options exercised	3,326	976
Proceed from conversion of warrants	1	85,105
Purchase of treasury shares	-	(1,417)
Bank borrowings	128,278	58,867
Net cash generated from financing activities	<u>96,736</u>	<u>112,914</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	21,646	(38,566)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	335,959	398,462
Foreign exchange differences	(6,890)	(9,209)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD *	<u>350,715</u>	<u>350,687</u>

* Cash & cash equivalents excludes deposits with licensed bank (restricted) amounting to RM112,462,862 and deposits with maturities more than 3 months amounting to RM167,027.

(The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 FIRST QUARTER ENDED 31
MARCH 2017**

**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 2016. 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 2016.

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 2016, except for the adoption of the following new Financial Reporting Standards (“FRSs”) and Amendments to FRSs with effect from 1 January 2017.

FRSs and Amendments to FRSs

Description	Effective for annual periods beginning on or after
Annual Improvements to FRSs 2014 - 2016 Cycle	1 January 2017
FRS 107: <i>Disclosures Initiatives (Amendments to FRS 107)</i>	1 January 2017
FRS 112: <i>Recognition of Deferred Tax for Unrealised Losses (Amendments to FRS 112)</i>	1 January 2017

The above pronouncements are either not relevant or do not have any impact on the financial statements of the Group, except for the FRS 107 *Disclosures Initiatives (Amendments to FRS 107)*.

These amendments to FRS 107 Statement of Cash Flows requires the entity to disclose a reconciliation between the opening and closing balances for liabilities arising from financing activities, including both changes arising from cash flows and non-cash flow changes. The adoption of these amendments affects only the disclosure notes to the financial statements and has no financial impact on the Group's financial statements.

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 fall 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.

The subsidiaries within the Group which do not fall within the scope of Transitioning Entities have adopted the MFRS Framework. As the Group and the Company fall within the scope of Transitioning Entities, adjustments (if applicable) have been made to reflect the consolidated financial statements under FRSs.

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 2016.

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 March 2017.

A7 Changes In Debt and Equity Securities

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

(a) Issuance of ordinary share capital

- (i) Issuance of 2,304,000 new ordinary shares pursuant to the exercise of the ESOS at the exercise price of RM1.18 to RM1.63 per ordinary share.
- (ii) Issuance of 653 new ordinary shares pursuant to the conversion of Warrants 2013/2017 at an exercise price of RM1.71 per ordinary share for cash.

(b) Share buy back

As at 31 March 2017, the total shares held as treasury shares amounted to 8,720,071 ordinary shares at a total cost of RM12.198 million.

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 RM'000	Property development RM'000	Property investment and management RM'000	Unallocated RM'000	Eliminations RM'000	Consolidated RM'000
3 months period ended 31 March 2017						
Revenue						
External	383,367	74,789	15,237	-	-	473,393
Inter segment	306,693	1,114	-	-	(307,807)	-
	<u>690,060</u>	<u>75,903</u>	<u>15,237</u>	<u>-</u>	<u>(307,807)</u>	<u>473,393</u>
Segment results						
Profit from operations	30,082	11,410	7,853	-	-	49,345
Finance costs						(12,254)
Share of profits of associates	218	-	-	1,381	-	1,599
Share of profits of joint ventures	-	(568)	6,720	-	-	6,152
Taxation						(14,136)
Profit for the period						<u>30,706</u>
Profit attributable to :-						
- Equity holders of the Company						33,080
- Non-controlling interest						(2,374)
						<u>30,706</u>
3 months period ended 31 March 2016						
Revenue						
External	378,076	92,021	14,867	-	-	484,964
Inter segment	346,337	1,387	-	-	(347,724)	-
	<u>724,413</u>	<u>93,408</u>	<u>14,867</u>	<u>-</u>	<u>(347,724)</u>	<u>484,964</u>
Segment results						
Profit from operations	3,742	18,284	7,448	-	-	29,474
Finance costs						(13,436)
Share of profits of associates	-	-	-	2,706	-	2,706
Share of profits of joint ventures	-	(108)	6,556	-	-	6,448
Taxation						(15,072)
Profit for the period						<u>10,120</u>
Profit attributable to :-						
- Equity holders of the Company						8,826
- Non-controlling interest						1,294
						<u>10,120</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 2016.

A11 Subsequent Material Events

There were no material events subsequent to the reporting period up to 23 May 2017 (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

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 23 May 2017 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) comprised bank guarantees of RM1,061.788 million provided by the Group to various parties in the ordinary course of business and tax matters under appeal amounting to RM4.47 million. The changes in contingent liabilities since 17 February 2017 are as follows:-

(a)	Bank Guarantees RM'000	Letter of credit RM'000
Balance as at 17 February 2017	916,498	1,375
Extended/utilised during the period	199,867	-
Discharged/paid during the period	<u>(54,577)</u>	<u>(1,375)</u>
Balance as at 23 May 2017	<u>1,061,788</u>	<u>-</u>

(b) The tax matters under appeal of the Group totalling RM4.47 million are in respect of corporation tax and service tax of a foreign subsidiary.

A13 Contingent Liabilities (cont'd)

- (c) The Company's Middle East Regional Office in Doha, Qatar had on 6 March 2017 received from the Dubai International Arbitration Centre, a Request for Arbitration dated 27 February 2017 filed by Triumpher Steel Construction Group LT (TSC), naming Arabtec Construction LLC (ATC) as the First Respondent and WCT Berhad - Dubai branch, a branch office of WCT Berhad (WCTB), a wholly owned subsidiary of the Company, as the Second Respondent, where ATC and WCTB are joint venture partners on a 50:50 basis in an unincorporated joint venture (JV).

TSC was the JV's subcontractor under a subcontract in respect of certain steel related works for the Nad Al Sheba Dubai Racecourse Project ("Subcontract"), where the JV was the Main Contractor and TSC's Subcontract had been terminated back in 2009.

TSC is claiming from the JV a total quantified sum of AED107,732,999.96 (equivalent to *RM130,561,623.00) being alleged sums due pursuant to and under the Subcontract and further unquantified sums for legal costs, arbitration costs, and interest (collectively referred to as "the Claims").

The Company is taking the necessary legal actions to defend and to oppose the Claims. Based on the preliminary review, the Directors are of the opinion that the Company has a good basis of defence and do not anticipate the exposure (if any) arising from the arbitration to be material.

* Based on exchange rate as at 6 March 2017

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)

790,737

A15 Capital Commitments

There are no material commitments except for as follows:-

RM'000

Approved and contracted for :

Property, plant and equipment

5,205

Land

200,700

Investment property

51,619

Share of capital commitment of joint ventures

59,332

316,856

A16 Significant Related Party Transactions

The Group

RM'000

Contract revenue from joint ventures

10,758

Rent expense payable to a joint venture

(924)

Interest receivable from joint ventures

1,536

Management fee receivable from joint ventures

688

Fees payable for retail management to company in which certain directors have interest

225

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 the equity holders of the Company of RM473 million and RM33 million respectively as compared to RM485 million and RM9 million respectively in the preceding year corresponding quarter. The increased in profit attributable to equity holders of the Company for the current quarter are mainly due to strong contribution from the local construction division.

Engineering and construction

This segment recorded revenue and operating profit of RM383 million and RM30 million as compared to RM378 million and RM4 million reported in the preceding year corresponding period. The increased in operational profit is mainly attributable to strong contribution from local construction projects with healthy margin.

Property development and investment

This segment recorded revenue and operating profit of RM90 million and RM19 million as compared to RM107 million and RM26 million reported in the preceding year corresponding period. The decrease in operating profit are mainly due to lower margin from the property development segment.

Basic earning per share for current quarter increased to 2.64 sen as compared to 0.72 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 the Company of RM473 million and RM33 million as compared to RM453 million and RM4 million reported in the immediate preceding quarter. The increase in profit attributable to equity holders of the Company for the current quarter are mainly due to strong contribution from local construction projects with healthy margin.

B3 Profit for the period

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months period to 31.3.2017) RM'000	PRECEDING YEAR CORRESPONDING QUARTER (3 months period to 31.3.2016) RM'000	CURRENT YEAR TO DATE (3 months period to 31.3.2017) RM'000	PRECEDING YEAR CORRESPONDING PERIOD (3 months period to 31.3.2016) RM'000
Profit for the period is arrived at after crediting/ (charging):				
Interest income	4,335	2,259	4,335	2,259
Interest from joint ventures	1,536	1,087	1,536	1,087
Interest from associates	64	-	64	-
Murabahah & Mudarabah profit	292	878	292	878
Interest expense	(12,254)	(13,436)	(12,254)	(13,436)
Depreciation	(2,743)	(2,234)	(2,743)	(2,234)
Property, plant and equipment written off	-	(2)	-	(2)
Reversal of impairment of trade and other receivables	34	-	34	-
Provision for foreseeable losses for contract work in progress	-	(34)	-	(34)
(Loss)/Gain on disposal of property, plant and equipment	(582)	208	(582)	208
Unrealised loss on foreign exchange	(4,302)	(23,138)	(4,302)	(23,138)

B4 Prospect For Financial Year 2017

The Engineering & Construction Division of the Group is expected to continue to build on its strong order book, after having secured a few new contracts amounting to approximately RM2 billion in the last financial year ended, backed by the Government's emphasis on infrastructure development and spending. With a higher proportion of infrastructure related jobs, the Group expects the overall construction margin to improve.

With a subdued property market, the Property Development Division of the Group adopts a more cautious approach in launching new projects in the current financial year and intensifies its marketing and sales initiatives to promote Group's properties.

The Property Investment & Management Division of the Group is expected to continue to provide a stable income stream to the Group. With the expected opening of Paradigm Mall in Johor Bahru and New World Hotel at Paradigm in Kelana Jaya for business in 2017, the contribution from this Division is expected to grow.

Moving forward, the Group will continue to embark on various de-gearing initiatives such as equity fund raising as well as assets monetization which are expected to strengthen its financial position and improve its gearing level.

Barring any unforeseen circumstances, the Board is of the view that the Group will be able to deliver a satisfactory financial results in the current financial year.

B5 Variance Of Actual Profit From Forecast Profit

Not applicable to the Group.

B6 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months period to 31.3.2017) RM'000	PRECEDING YEAR CORRESPONDING QUARTER (3 months period to 31.3.2016) RM'000	CURRENT YEAR TO DATE (3 months period to 31.3.2017) RM'000	PRECEDING YEAR CORRESPONDING PERIOD (3 months period to 31.3.2016) RM'000
Taxation comprises:				
Income tax				
- current year	12,784	17,871	12,784	17,871
Deferred taxation	1,352	(2,799)	1,352	(2,799)
	<u>14,136</u>	<u>15,072</u>	<u>14,136</u>	<u>15,072</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 quarter ended 31 March 2017 and the corresponding quarter ended 31 March 2016 are higher than the statutory tax rate mainly due to certain expenses not deductible for tax purposes.

B7 Status of Corporate Proposals Announced

- (i) On 18 January 2017, the Company announced on Bursa Malaysia that the Company has resolved to undertake a proposed placement of up to 125,000,000 new ordinary shares of RM0.50 each in tranches for the purpose of working capital and to partly repay loans and borrowings of the Group ("Proposed Placement"). The Company further announced on 27 March 2017 that the Proposed Placement was approved by Bursa Malaysia. The first tranche of the Proposed Placement was completed on 11 April 2017 with the issuance of 100,456,000 ordinary shares for a total cash consideration of RM177,807,000. The Company has also announced that the remaining 24,544,000 shares pursuant to the Proposed Placement may be issued at a later unspecified date.

Save as disclosed above, the Group did not announce any corporate proposal which has not been completed as at 23 May 2017 (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 realised and unrealised as at the reporting date pursuant to the directive issued by Bursa Malaysia Securities on 25 March 2010 are as follow:

	As at 31.3.2017 RM'000	As at 31.12.2016 RM'000
Total retained profits of the Company and its subsidiaries:-		
- Realised	1,071,204	1,046,233
- Unrealised	247,418	254,249
	<u>1,318,622</u>	<u>1,300,482</u>
Total share of retained profits from associates:-		
- Realised	102,330	100,679
- Unrealised	(52)	-
	<u>102,278</u>	<u>100,679</u>
Total share of retained profits/ (accumulated losses) from joint arrangements:-		
- Realised	46,699	28,161
- Unrealised	156,091	160,913
	<u>202,790</u>	<u>189,074</u>
Less : Consolidation adjustment	<u>(255,710)</u>	<u>(255,338)</u>
Total Group retained profits as per consolidated accounts	<u>1,367,980</u>	<u>1,334,897</u>

B9 Group Borrowing And Debt Securities

Detail of group borrowings are as follows:-

	As at 31.3.2017 RM'000	As at 31.12.2016 RM'000
Long Term Bank Borrowings		
<u>Secured:-</u>		
Long Term Loan	441,739	395,420
Hire Purchase Creditors	19,667	13,292
	461,406	408,712
<u>Unsecured:-</u>		
Sukuk Murabahah	750,000	750,000
MTN	1,000,000	1,000,000
	1,750,000	1,750,000
	2,211,406	2,158,712
Short Term Bank Borrowings		
<u>Secured :-</u>		
Hire Purchase Creditors	5,367	3,426
Revolving Credit	344,900	307,733
Term Loans	238,240	243,640
	588,507	554,799
<u>Unsecured :-</u>		
Banker's acceptance	17,537	25,037
Bank Overdraft	13	7,805
Revolving credit	245,693	186,583
Term loan	48,555	49,266
	311,798	268,691
	900,305	823,490
Total Bank Borrowings	3,111,711	2,982,202

Key:

Sukuk Murabahah - RM1.5 billion Sukuk Murabahah Programme

MTN - RM 1.0 billion Medium Term Notes

B10 Material Litigation

Except as disclosed below, there are no material litigation pending since 31 December 2016 (being the date of the last annual statement of financial position) to 23 May 2017 (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, WCT Berhad (“WCTB”), a wholly-owned subsidiary of the Company (jointly with Arabtec Construction LLC, (“Arabtec”) in a 50:50 joint venture (“Joint Venture”) and 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 totalled 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, WCTB was informed by Arabtec that its board of directors had agreed to Meydan’s 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 WCTB and Meydan in respect of WCTB’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 WCTB. 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 WCTB and Meydan and suspended Meydan’s Civil Suit until the Final Award to be issued in DIAC Case No. 02/2009. Both Meydan and WCTB filed an appeal to the Court of Cassation. The Court of Cassation had on 27 December 2015 referred the Civil Suit back to the Court of Appeal for the Court of Appeal to review the same. On 13 July 2016, the Court of Appeal dismissed the Civil Suit on its merits. Meydan subsequently filed an appeal to the Court of Cassation and the Court of Cassation had on 7 May 2017 referred the matter back to the Court of Appeal for further review. WCTB will continue to oppose the same at the Court of Appeal.

B10 Material Litigation (Cont'd.)

In the meantime, on 8 July 2015, WCTB 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 WCTB, 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 WCTB, and ordered Meydan to pay WCTB, 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]). WCTB is now undertaking the necessary legal proceedings for recognition and for enforcement of the Award.

The management believes, based on continuing legal opinion received, that the prospects of successfully recognizing and enforcing the Award are good.

* Based on exchange rate as at 8 July 2015

B11 Dividends

	Paid in Quarter Ended 31 Mar 2017 RM'000	Paid in Year Ended 31 Dec 2016 RM'000
<u>Final single tier dividend paid</u>		
For the financial year ended 31 December 2015		
- Cash dividend of 2.00 sen per ordinary share of RM0.50	-	24,981
Total net dividend paid	-	24,981

On 17 April 2017, the Board of Directors of the Company announced that the Board has resolved to recommend a final single tier dividend in respect of the financial year ended 31 December 2016 on the basis of one (1) treasury share for every one hundred and sixty five (165) existing ordinary shares held in the Company as at a date of entitlement (Share Dividend), subject to the shareholders' approval being obtained at the Company's forthcoming Sixth Annual General Meeting and that any fractions of the Share Dividend arising from the distribution of Share Dividend will be disregarded and dealt with at the discretion of the Directors.

The entitlement date has been fixed on 8 June 2017 and a Depositor shall qualify for entitlement only in respect of:-

- i) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 8 June 2017 in respect of ordinary transfer; and
- ii) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

Subject to the approval of the Bursa Malaysia Depository Sdn Bhd ("Bursa Depository") for the transfer of treasury shares under the Share Buy-back Account by bulk transfer method of debiting and crediting, the treasury shares to be distributed under the Share Dividend will be credited into the entitled Depositors' Securities Account maintained with Bursa Depository on 22 June 2017.

B12 Earnings Per Share

	Reporting Quarter/ Current Year To Date 31.3.2017
(a) Basic Earnings Per Share	
Profit attributable to the equity holders of the parent (RM'000)	33,080
Weighted average number of ordinary shares in issue ('000)	1,254,813
Basic earnings per share (sen)	2.64
(b) Fully Diluted Earnings Per Share	
Profit attributable to the equity holders of the parent (RM'000)	33,080
Weighted average number of ordinary shares in issue ('000)	1,254,813
Effects of dilution:	
Share options ('000)	4,077
Warrants ('000)	12,257
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,271,147
Fully diluted earnings per share (sen)	2.60

B13 Comparative Figures

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

Date: 29th May 2017