



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

Date : 26 February 2018

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL
PERIOD ENDED 31 DECEMBER 2017**

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WCT HOLDINGS BERHAD

(Company Number : 930464-M)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED INCOME STATEMENT FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2017**

(The figures have not been audited)

CONSOLIDATED INCOME STATEMENT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 31.12.2017) RM'000	PRECEDING YEAR CORRESPONDING QUARTER (3 months to 31.12.2016) RM'000	CURRENT YEAR TO DATE (12 months to 31.12.2017) RM'000	PRECEDING CORRESPONDING YEAR (12 months to 31.12.2016) RM'000
Revenue	579,396	453,167	1,905,876	1,933,604
Cost of sales	(481,370)	(383,878)	(1,558,224)	(1,689,481)
Gross profit	98,026	69,289	347,652	244,123
Other income	248,672	42,384	260,487	56,591
Other expenses	(174,966)	(29,579)	(199,430)	(46,393)
Administrative expenses	(29,960)	(18,884)	(95,273)	(71,824)
Finance costs	(23,071)	(28,053)	(63,154)	(61,528)
Share of profit after tax of associates	435	2,064	2,332	8,257
Share of losses after tax of joint ventures	(37,639)	(25,854)	(21,965)	(7,226)
	81,497	11,367	230,649	122,000
Income tax expense	(22,313)	(13,231)	(78,732)	(56,831)
Profit/(loss) for the period	59,184	(1,864)	151,917	65,169
Attributable to:				
Equity holders of the Company	59,274	3,509	154,622	68,375
Non-controlling interest	(90)	(5,373)	(2,705)	(3,206)
Profit/(loss) for the period	59,184	(1,864)	151,917	65,169
Attributable to equity holders of the Company :				
Basic earnings per share (sen)	4.19	0.28	11.29	5.50
Fully diluted earnings per share (sen)	4.18	0.28	11.27	5.49

(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 FOURTH QUARTER ENDED
31 DECEMBER 2017**

(The figures have not been audited)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 31.12.2017) RM'000	PRECEDING YEAR CORRESPONDING QUARTER (3 months to 31.12.2016) RM'000	CURRENT YEAR TO DATE (12 months to 31.12.2017) RM'000	PRECEDING CORRESPONDING YEAR (12 months to 31.12.2016) RM'000
Profit/(loss) for the period	59,184	(1,864)	151,917	65,169
Other comprehensive income:				
Currency translation differences arising from consolidation	(12,370)	48,328	(48,243)	19,750
Revaluation of freehold land and buildings	1,462	(207)	1,462	(207)
Other comprehensive (loss)/ income for the period, net of tax	(10,908)	48,121	(46,781)	19,543
Total comprehensive income for the period	48,276	46,257	105,136	84,712
Total comprehensive income for the period attributable to :				
Equity holders of the Company	48,690	50,713	108,751	87,697
Non-controlling interest	(414)	(4,456)	(3,615)	(2,985)
	48,276	46,257	105,136	84,712

(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 DECEMBER 2017

	AS AT CURRENT YEAR 31.12.2017	AS AT FINANCIAL YEAR ENDED 31.12.2016
	UNAUDITED RM'000	AUDITED RM'000
ASSETS		
<u>Non-current assets</u>		
Property, plant and equipment	338,381	328,295
Land held for property development	1,553,980	1,437,443
Investment properties	1,594,392	1,124,808
Investment in associates	131,961	147,969
Investment in joint ventures	482,070	502,971
Trade receivables	1 461,524	827,821
Other receivables	1 332,559	362,691
Due from related parties	8,360	7,181
Deferred tax assets	13,029	20,334
	<u>4,916,256</u>	<u>4,759,513</u>
<u>Current assets</u>		
Property development costs	247,240	633,067
Inventories	461,230	131,956
Trade receivables	1,367,687	832,991
Other receivables	160,036	248,351
Due from related parties	367,395	270,091
Tax recoverable	3,378	9,381
Cash and bank balances	527,201	455,062
	<u>3,134,167</u>	<u>2,580,899</u>
Non-current assets classified as held for sales	<u>83,314</u>	<u>-</u>
TOTAL ASSETS	<u>8,133,737</u>	<u>7,340,412</u>
EQUITY AND LIABILITIES		
<u>Equity attributable to equity holders of the Company</u>		
Share capital	3,210,132	631,061
Share premium	-	2,310,960
Reserves	(1,490,101)	(1,500,600)
Retained earnings	1,418,937	1,334,897
Treasury shares, at costs	(384)	(12,198)
	<u>3,138,584</u>	<u>2,764,120</u>
Non-controlling interest	8,089	33,864
Total equity	<u>3,146,673</u>	<u>2,797,984</u>

WCT HOLDINGS BERHAD
(Company Number : 930464-M)

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

		AS AT CURRENT YEAR 31.12.2017	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	72,837	173,518
Other payables	2	355,676	364,745
Borrowings		2,257,132	2,158,712
Deferred tax liabilities		53,238	40,955
		2,738,883	2,737,930
<u>Current liabilities</u>			
Trade payables		959,582	784,742
Other payables		249,657	183,183
Due to related parties		3,441	3,801
Borrowings		1,028,048	823,490
Tax payable		7,449	9,282
		2,248,177	1,804,498
Liabilities classified as held for sales		4	-
		2,248,181	1,804,498
Total Liabilities		4,987,064	4,542,428
TOTAL EQUITY AND LIABILITIES		8,133,737	7,340,412
Net asset per share (RM)		2.22	2.19

(1) Included receivables of RM244 million in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecourse project.

(2) Included payables of RM244 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 FOURTH QUARTER ENDED 31 DECEMBER 2017

	Attributable to Equity Holders of the Company										Total equity RM'000		
	Non-Distributable					Distributable							
	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Internal reorganisation reserve RM'000	Warrant reserve RM'000	Other reserve RM'000	Exchange reserve RM'000	Capital reserve RM'000	Equity compensation reserve RM'000	Revaluation reserve RM'000	General reserve RM'000	Retained profit RM'000	Total 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	-	-	-	-	-	-	19,529	-	-	(207)	-	68,375	68,375
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-	-	-	-	-	19,543
Total comprehensive income for the period	-	-	-	-	-	-	19,529	-	-	(207)	-	68,375	87,697
Dividends paid to shareholders	-	-	-	-	-	-	-	-	-	-	-	(24,981)	(24,981)
Arising from share buy-back	-	-	(1,433)	-	-	-	-	-	-	-	-	(1,433)	(1,433)
Arising from share options exercised	3,020	4,460	-	-	-	-	-	-	-	-	-	7,480	7,480
Arising from conversion of warrants	27,631	57,473	-	-	-	-	-	-	-	-	-	85,104	85,104
Transfer within reserve for ESOS exercised	-	1,902	-	-	-	-	-	-	(1,902)	-	-	-	-
Transfer within reserve for warrants exercised	-	18,665	-	-	(18,665)	-	-	-	-	-	-	-	-
Transfer within reserve for unexercised warrants	-	-	-	-	(34,358)	-	-	-	-	-	-	34,358	-
Transfer within reserve	-	-	-	-	-	(23)	-	-	-	-	-	23	-
At 31 December 2016	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
<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	-	-	-	-	-	-	-	-	-	-	-	154,622	154,622
Other comprehensive income/(loss)	-	-	-	-	-	-	(47,333)	-	-	1,462	-	(910)	(46,781)
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	(47,333)	-	-	1,462	-	154,622	108,751
Share dividends distributed to shareholders	-	-	11,814	-	-	-	-	-	-	-	-	(11,814)	-
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(22,560)	(22,560)
Subscription of shares of a subsidiary by non-controlling int.	-	-	-	-	-	-	-	-	-	-	-	400	400
Arising from placement shares	177,807	-	-	-	-	-	-	-	-	-	-	177,807	177,807
Arising from share options exercised	11,121	322	-	-	-	-	-	-	-	-	-	11,443	11,443
Arising from conversion of warrants	77,374	-	-	-	-	-	-	-	-	-	-	77,374	77,374
Transfer within reserve for ESOS exercised	2,269	129	-	-	-	-	-	-	(2,398)	-	-	-	-
Transfer within reserve	-	-	-	-	-	(32)	-	-	-	-	-	32	-
Bonus issue of a subsidiary company	-	-	-	-	-	-	-	58,800	-	-	-	(58,800)	-
Incidental costs of new shares	(5)	-	-	-	-	-	-	-	-	-	-	(5)	(5)
Incidental costs of placement shares	(906)	-	-	-	-	-	-	-	-	-	-	(906)	(906)
Transition to no par value regime (1)	2,311,411	(2,311,411)	-	-	-	-	-	-	-	-	-	-	-
At 31 December 2017	3,210,132	-	(384)	(1,554,791)	-	22	(65,239)	61,646	4,345	62,528	1,438	1,418,937	3,146,673

⁽¹⁾As the concept of par value of shares has been abolished pursuant to Section 74 of the Companies Act, 2016 ("Act") effective 31 January 2017, the share premium account of the Company has now become part of the Company's share capital pursuant to the Section 618(2) of the Act. Notwithstanding this, pursuant to the transitional provisions under Section 618(3) of the Act, the Company may, within 24 months thereafter, use the amount standing to the credit of its previous share premium account amounting to RM2.3 billion for purposes as permitted under 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 RM3,210,132,197 as at 31 December 2017 is represented by 1,415,581,871 ordinary shares.

(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 FOURTH QUARTER ENDED 31 DECEMBER 2017

	UNAUDITED CUMULATIVE PERIOD CURRENT YEAR TO DATE 31.12.2017 RM'000	CUMULATIVE PERIOD PRECEDING CORRESPONDING YEAR 31.12.2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	230,649	122,000
Adjustments for:-		
Non-cash items	182,560	17,347
Non-operating items - financing	33,765	14,785
Non-operating items - investing	(204,009)	(1,429)
Operating profit before working capital changes	<u>242,965</u>	<u>152,703</u>
Net changes in assets	(396,149)	(325,445)
Net changes in liabilities	126,756	50,288
Cash flows used in operations	<u>(26,428)</u>	<u>(122,454)</u>
Taxation paid	(54,935)	(41,476)
Net cash used in operating activities	<u>(81,363)</u>	<u>(163,930)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments in associated companies		
- associated companies	-	(3,000)
Subscription of shares of a subsidiary by non-controlling interest	400	-
Interest received	29,390	31,515
Property, plant and equipment	(36,581)	(55,072)
Investment Properties	(205,182)	(221,564)
Dividend received from associates	18,810	10,994
Redemption of cumulative redeemable preference shares from associates	-	3,088
Withdrawal from/(placement in) deposits with licensed banks	73,990	(4,514)
Net cash used in investing activities	<u>(119,173)</u>	<u>(238,553)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(149,398)	(126,030)
Proceed from placement shares	177,807	-
Proceed from share options exercised	11,443	7,480
Proceed from conversion of warrants	77,374	85,104
Purchase of treasury shares	-	(1,433)
Incidental costs of new shares	(5)	-
Incidental costs of placement shares	(906)	-
Dividend paid to shareholders	-	(24,981)
Bank borrowings	284,957	382,479
Net cash generated from financing activities	<u>401,272</u>	<u>322,619</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	200,736	(79,864)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	335,959	398,462
Foreign exchange differences	(46,400)	17,361
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD *	<u>490,295</u>	<u>335,959</u>

* Cash & cash equivalents excludes deposits with licensed bank (restricted) amounting to RM37,139,305 and deposits with maturities more than 3 months amounting to RM169,103.

(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 FOURTH QUARTER ENDED 31
DECEMBER 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 (“Bursa Malaysia”).

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 December 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 7,912,000 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 44,368,140 new ordinary shares pursuant to the conversion of Warrants 2013/2017 at an exercise price of RM1.71 per ordinary share for cash.
- (iii) Issuance of 723,311 new ordinary shares pursuant to the conversion of Warrants 2015/2020 at an exercise price of RM2.08 per ordinary share for cash.
- (iv) Issuance of 100,456,000 new ordinary shares pursuant to the private placement exercise at an issue price of RM1.77 per ordinary share for cash.

(b) Share buy back

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

On 22 June 2017, 8,480,335 treasury shares were distributed to the shareholders 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 the entitlement date on 8 June 2017, fractions of which were disregarded.

	No of Treasury Shares '000	Treasury Shares RM'000
Balance as at 1 January 2017	8,720	12,198
Distributed as dividend during the period	<u>(8,480)</u>	<u>(11,814)</u>
Balance as at 31 December 2017	<u>240</u>	<u>384</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 RM'000	Property development RM'000	Property investment and management RM'000	Unallocated RM'000	Eliminations RM'000	Consolidated RM'000
12 months period ended 31 December 2017						
Revenue						
External	1,391,757	437,133	76,986	-	-	1,905,876
Inter segment	1,358,029	174,101	6,687	-	(1,538,817)	-
	<u>2,749,786</u>	<u>611,234</u>	<u>83,673</u>	<u>-</u>	<u>(1,538,817)</u>	<u>1,905,876</u>
Segment results						
Profit from operations	(32,771)	75,663	270,544	-	-	313,436
Finance costs						(63,154)
Share of profits of associates	1,126	-	-	1,206	-	2,332
Share of losses of joint ventures	-	(13,743)	(8,222)	-	-	(21,965)
Taxation						(78,732)
Profit for the period						<u>151,917</u>
Profit attributable to :-						
- Equity holders of the Company						154,622
- Non-controlling interest						(2,705)
						<u>151,917</u>
12 months period ended 31 December 2016						
Revenue						
External	1,568,685	303,164	61,755	-	-	1,933,604
Inter segment	1,414,902	6,134	-	-	(1,421,036)	-
	<u>2,983,587</u>	<u>309,298</u>	<u>61,755</u>	<u>-</u>	<u>(1,421,036)</u>	<u>1,933,604</u>
Segment results						
Profit from operations	73,956	82,457	26,084	-	-	182,497
Finance costs						(61,528)
Share of profits of associates	49	-	-	8,208	-	8,257
Share of losses of joint ventures	-	(773)	(6,453)	-	-	(7,226)
Taxation						(56,831)
Profit for the period						<u>65,169</u>
Profit attributable to :-						
- Equity holders of the Company						68,375
- Non-controlling interest						(3,206)
						<u>65,169</u>

A10 Non-current Assets Held for Sale

- (i) On 29 August 2017, WCT Land Sdn Bhd ("WCTL") and WCT Precious Development Sdn Bhd ("WCTPD"), a wholly-owned subsidiary of WCTL, which in turn is a wholly-owned subsidiary of the Company, had entered into a shareholders agreement ("SA") with CCCG Overseas Real Estate Pte Ltd ("CORE") whereby WCTL and CORE will be cooperating and working together through WCTPD to develop a parcel of land held by WCTPD on Plot 12 (B10.14-RT) which sits on a part of Geran 75981 Lot 20014 and Geran 76430 Lot 20022, both situated in Section 67 Bandar Kuala Lumpur ("Development Land").

Pursuant to the SA, CORE has nominated CORE (Singapore) TRX Investment Pte. Ltd. ("CORE SPV") and China Communications Construction Company (M) Sdn Bhd ("CCCC (M)") as the new shareholders of WCTPD to subscribe for 200,000,000 new ordinary shares in WCTPD ("Shares") representing 80% of the enlarged issued share capital of WCTPD for a total subscription consideration of RM200,000,000 in cash ("Total Subscription Consideration")

To facilitate and to realise the equity proportion of the new shareholders ("Equity Proportion"), WCTPD shall issue the Shares to WCTL, CORE SPV and CCCC (M) in the following manner:-

	CORE			Total No. of shares
	WCTL No. of shares	CORE SPV No. of shares	CCCC (M) No. of shares	
Equity proportion (upon completion)	20%	65%	15%	100%
Existing shareholdings	100,000	-	-	100,000
(i) Initial subscription	4,900,000	16,250,000	3,750,000	24,900,000
(ii) Subsequent subscription	45,000,000	146,250,000	33,750,000	225,000,000
Total	50,000,000	162,500,000	37,500,000	250,000,000

The above subscription of new Shares by WCTL, CORE SPV and CCCC (M) shall hereinafter referred to as the "Proposed Joint Investment".

On 25 October 2017, a supplemental agreement ("Supplemental Agreement") was entered into to vary the schedule of subscription of shares in WCTPD by WCTL and the companies nominated by CORE.

On 21 November 2017, a second supplemental agreement ("Second Supplemental Agreement") was entered into with CORE, CORE SPV and CCCC (M), which is supplemental to the Shareholders' Agreement dated 29 August 2017 ("Principal Shareholders Agreement") and the Supplemental Agreement dated 25 October 2017, to vary the schedule of subscription of shares in WCTPD by WCTL and the companies nominated by CORE in the following manner:

A10 Non-current Assets Held for Sale (cont'd)

	CORE			Total
	WCTL	CORE SPV	CCCC (M)	
Equity proportion (upon completion)	No. of shares 20%	No. of shares 65%	No. of shares 15%	No. of shares 100%
Existing shareholdings	100,000	-	-	100,000
(i) Preliminary subscription	-	325,000	75,000	400,000
(ii) Initial subscription	4,900,000	15,925,000	3,675,000	24,500,000
(iii) Subsequent subscriptions	45,000,000	146,250,000	33,750,000	225,000,000
Total	50,000,000	162,500,000	37,500,000	250,000,000

On 24 November 2017, CORE SPV and CCCC (M) have subscribed for 325,000 and 75,000 ordinary shares respectively in WCTPD.

With the above subscription by CORE SPV and CCCC (M), the equity interest held by WCTL in WCTPD will dilute from 100% to 20%. WCTPD will cease to be a subsidiary of WCTL upon completion of the Proposed Joint Investment.

As at the date of this report, the completion of the Proposed Joint Investment is pending fulfillment of certain conditions precedent.

In accordance with FRS 5 : Non-current Assets Held for Sale and Discontinued Operations, the deemed disposal of 80% equity interest in WCTPD is classified as assets and liabilities held for sale as at 31 December 2017.

The major classes of assets and liabilities held for sale as at 31 December 2017 are as follows:

	RM'000
ASSETS	
Payment for land acquisition and related costs	22,447
Cash and bank balances	402
Assets classified as held for sale	<u>22,849</u>
LIABILITIES	
Other payable, representing total liabilities classified as held for sale	<u>4</u>

A10 Non-current Assets Held for Sale (cont'd)

- (ii) Subsequent to year end, the Group entered into agreements to dispose of lands for a total consideration of RM115,807,769.40 as follows:
- (a) On 24 January 2018, WCT Pioneer Development Sdn Bhd, a wholly-owned subsidiary of WCTL, entered into a conditional sale and purchase agreement with Seong Heng Engineering Works (M) Sdn Bhd for the disposal of a parcel of freehold land held under Geran 284618, Lot 27504 measuring approximately 202,313 square metres, located at Seksyen 20, Bandar Serendah, District of Ulu Selangor, State of Selangor for a total consideration of RM34,000,000. A deposit of RM3,400,000 was received on 25 January 2018.
 - (b) On 24 January 2018, Gabungan Efektif Sdn Bhd, a wholly-owned subsidiary of WCTL, entered into a conditional sale and purchase agreement with Hap Seng Realty (Auto) Sdn Bhd for the disposal of a parcel of freehold land held under Geran 331490, Lot 168853 measuring approximately 29,874 square metres, located at Mukim Klang, District of Klang, State of Selangor for a total consideration of RM54,667,409.40. A deposit of RM546,658.80 was received on 21 November 2017 and stakeholder sum of RM3,006,623.40 was received by the solicitors on 24 January 2018.
 - (c) On 2 February 2018, WCT Assets Sdn Bhd, a wholly-owned subsidiary of WCTL, entered into a conditional sale and purchase agreement with Established Metal Industries Sdn Bhd for the disposal of lands held under Geran 97897, Lot 40018 and Geran 97899, Lot 40022 measuring approximately 82,790 and 74,800 square metres respectively, located at Seksyen 20, Bandar Serendah, District of Ulu Selangor, State of Selangor for a total consideration of RM27,140,560. A deposit of RM2,714,056 was received on 2 February 2018.

As at the date of this report, these disposals of land have yet to be completed.

A11 Carrying Amount Of Revalued Assets

During the period under review, certain investment properties and property, plant and equipment were revalued which results in an increase of approximately RM226.744 million.

Save as disclosed above, the valuation of investment properties and property, plant and equipment has been brought forward without amendment from the audited financial statements for the financial year ended 31 December 2016.

A12 Subsequent Material Events

There were no material events subsequent to the reporting period up to 20 February 2018 (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.

A13 Effect Of Changes In The Composition Of The Group

- (i) WCT Land Sdn Bhd (“WCTL”), a wholly-owned subsidiary of the Company, had on 27 April 2017, subscribed for 9,998 new ordinary shares at a subscription price of RM0.10 each in Kekal Kirana Sdn Bhd (“KKSB”) representing 99.98% of the enlarged issued and paid up share capital of KKSB for a total consideration of RM999.80 pursuant to a subscription and shareholders agreement dated 26 April 2017 entered into between KKSB, the 2 existing shareholders of KKSB and WCTL.

Following the completion of the Shares Subscription on 27 April 2017 and the acquisition of the remaining 2 ordinary shares in KKSB on 23 May 2017, KKSB is now a 100% owned subsidiary of WCTL.

- (ii) On 31 July 2017, WCT Berhad, a wholly owned subsidiary of the Company transferred its 2 ordinary shares representing the entire shareholding in WCT Equity Sdn Bhd to the Company at a total consideration of RM2.00.
- (iii) On 7 September 2017, WCT Land and Development (Australia) Pty Ltd, the Company’s indirect wholly-owned subsidiary in Australia has been deregistered from the Australian Securities & Investment Commission.
- (iv) On 24 November 2017, CORE SPV and CCCC (M) have subscribed for 325,000 and 75,000 ordinary shares respectively in WCTPD, pursuant to the proposed joint investment as detailed in Note A10.

With the above subscription by CORE SPV and CCCC (M), the equity interest held by WCTL in WCTPD has been diluted from 100% to 20%.

Save as disclosed above, there were no changes in the composition of the Group during the period under review.

A14 Contingent Liabilities

Contingent liabilities of the Group as at 20 February 2018 (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 RM1,210,773 million and RM20,459 million respectively provided by the Group to various parties in the ordinary course of business and tax matters under appeal amounting to RM4.17 million. The changes in contingent liabilities since 17 February 2017 are as follows:-

(a)	Bank Guarantees RM'000	Letters of credit RM'000
Balance as at 17 February 2017	916,498	1,375
Extended/utilised during the period	408,723	33,638
Discharged/paid during the period	<u>(114,448)</u>	<u>(14,554)</u>
Balance as at 20 February 2018	<u><u>1,210,773</u></u>	<u><u>20,459</u></u>

(b) The tax matters under appeal of the Group totaling RM4.17 million are in respect of corporation tax and service tax of a foreign subsidiary.

(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 Triumph 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 Board is of the view that the Company has good grounds to defend and oppose the Claims and the Company is taking the necessary legal action to do so. The financial impact on the Group is not expected to be material as the Company believes that it has good grounds to defend and oppose the Claims and there should be no impact on the Company's operations.

* Based on foreign exchange rate as at 6 March 2017

A14 Contingent Liabilities (cont'd)

- (d) The Company's Middle East Regional Office in Doha, Qatar had on 8 July 2017 received from the Court of Arbitration of the International Chamber of Commerce ("ICC") a Request for Arbitration dated 22 June 2017 ("Arbitration") filed by Trans Gulf International Electro-Mechanical WLL ("First Claimant"), Powermech Engineering WLL ("Second Claimant") and Trans Gulf International Electro-Mechanical WLL – Powermech Engineering WLL JV ("Third Claimant") [collectively referred to as "the Claimant"], naming WCT Berhad ("WCTB"), a wholly owned subsidiary of the Company, as the Respondent.

The Claimant was WCTB's subcontractor under a subcontract in respect of certain mechanical, electrical and plumbing related works for the Ministry of Interior Head Quarters Project in Doha, Qatar ("Subcontract"), where WCTB was the Main Contractor.

The Claimant is claiming from WCTB a total estimate sum of QAR 181,573,741 (equivalent to **RM214,119,018.00) being alleged sums due pursuant to and under the Subcontract and further unquantified sums for legal costs, arbitration costs, and charges (collectively referred to as "the Claims").

The Company is taking the necessary legal actions to defend and to oppose the Claims. Subject to and pending formal legal opinion to be received, the Board is of the preliminary view that the Company has good grounds to defend and oppose the Claimant's Claims.

The financial impact on the Group is not expected to be material as the Company believes it has good grounds to defend and oppose the Claims and there should be no impact on the Company's operations as the Project has been completed and handed over to and occupied by the client.

* Based on foreign exchange rate as at 9 July 2017

A15 Contingent Assets

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)

RM'000

726,178

A16 Capital Commitments

There are no material commitments except for as follows:-

	RM'000
Approved and contracted for :	
Property, plant and equipment	401
Development Land- pending completion of the Proposed Joint Investment *	200,700
	<u>201,101</u>

* This commitment will be reduced to RM49.9 million upon completion of the Proposed Joint Investment. Please refer to Note A10(i) for further details.

A17 Significant Related Party Transactions

<u>The Group</u>	RM'000
Contract revenue from joint ventures	38,620
Contract revenue from associates	57,914
Rent expense payable to a joint venture	(1,695)
Interest receivable from joint ventures	11,981
Management fee receivable from joint ventures	4,610
Fees payable for retail management to company in which certain directors have interest	900
	<u>900</u>

B EXPLANATORY NOTES IN COMPLIANCE WITH LISTING REQUIREMENTS OF THE BURSA MALAYSIA

B1 Review of performance

Group

For the current quarter, the Group recorded revenue and profit attributable to the equity holders of the Company of RM579 million and RM59 million respectively as compared to RM453 million and RM4 million respectively in the preceding year corresponding quarter.

For the current year, the Group recorded revenue and profit attributable to equity holders of the Company of RM1,906 million and RM155 million respectively as compared to RM1,934 million and RM68 million respectively in the preceding corresponding year.

The Engineering and Construction segment continues to be the Group's main contributor of revenue, accounting for 73% of the Group's consolidated revenue in 2017, backed by a strong order book. The Property Development and Property Investment & Management segment contributed RM514 million, representing approximately 27% of the Group's consolidated revenue in 2017.

Engineering and Construction segment

This segment recorded revenue and operating loss of RM1,392 million and RM33 million respectively as compared to RM1,569 million and RM74 million (operating profit) respectively reported in the preceding corresponding year.

In the last financial quarter of 2017, the Group recognised an impairment of an amount due from a contract customer in Qatar amounting to RM165 million after considering the latest development in the Middle East region. In addition, the Group had registered an unrealised foreign exchange loss amounting to RM20 million. As a result this segment recorded a loss from operations of RM33 million. Excluding the impairment loss and unrealised foreign exchange loss, the Group's Construction and Engineering Division operating profit would have been RM152 million, reflecting an improved construction margin as compared to the last financial year.

For illustrative purposes, tabulated below are the proforma operating profit of the Group's Engineering and Construction segment assuming aforementioned impairment loss and unrealised foreign exchange loss are excluded for the current year under review and the preceding corresponding year:-

	CURRENT YEAR (12 months period ended 31.12.2017) RM'000	PRECEDING CORRESPONDING YEAR (12 months period ended 31.12.2016) RM'000
(Loss)/ profit from operation	(32,771)	73,956
Add : Impairment of amount due from a contract customer in Qatar	164,588	-
Add : Unrealised foreign exchange loss/(gain)	20,472	(12,947)
Proforma profit from operation	<u>152,289</u>	<u>61,009</u>

B1 Review of performance (Cont'd.)

Property Development and Property Investment & Management segment

This segment recorded revenue and operating profit of RM514 million and RM346 million respectively as compared to RM365 million and RM109 million respectively reported in the preceding corresponding year. The Property Development sub-segment contributed revenue of RM437 million whereas Property Investment & Management sub-segment contributed higher revenue of RM77 million, both showing marked improvement from the preceding year revenue of RM303 million and RM62 million respectively.

The higher revenue of the Property Development sub-segment was mainly contributed by the Group's on-going projects under development as well as intensified sales of completed properties during the year. Operating profit from this segment was slightly lower at RM76 million as compared to RM82 million in the preceding year reflecting lower sales margin for the properties sold during the year.

The Property Investment and Management sub-segment also registered better performance both in terms of revenue and operating profit mainly due to higher contribution from the Group's retail mall operations. In the last financial quarter, upon the completion and commencement of business of Paradigm Mall Johor Bahru in November 2017, the Group had accordingly recognised a fair value gain of RM224 million.

For illustrative purposes, tabulated below are the proforma operating profit of the Group's Property Development and Property Investment & Management segment assuming the fair value gains on investment properties of the Group are excluded for the current year under review and the preceding corresponding year:-

	CURRENT YEAR (12 months period ended 31.12.2017)	PRECEDING CORRESPONDING YEAR (12 months period ended 31.12.2016)
	RM'000	RM'000
Profit from operation	346,207	108,541
Less : Fair value gain on Paradigm Mall, Johor Bahru and other investment properties	(225,321)	(320)
Proforma profit from operation	<u>120,886</u>	<u>108,221</u>

Basic earning per share for the current year improved substantially to 11.29 sen from 5.50 sen recorded in the preceding corresponding year.

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 RM579 million and RM59 million respectively as compared to RM470 million and RM41 million respectively reported in the immediate preceding quarter. The increase in profit attributable to equity holders of the Company for the current quarter is mainly attributable to fair value gain on investment properties.

B3 Profit for the period

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months period to 31.12.2017) RM'000	PRECEDING YEAR CORRESPONDING QUARTER (3 months period to 31.12.2016) RM'000	CURRENT YEAR (12 months period to 31.12.2017) RM'000	PRECEDING CORRESPONDING YEAR (12 months period to 31.12.2016) RM'000
Profit for the period is arrived at after crediting/ (charging):				
Interest income	4,140	2,623	11,946	9,818
Interest from joint ventures	3,609	2,927	11,981	10,157
Interest from associates	6	-	79	-
Murabahah & Mudarabah profit	743	129	1,938	1,438
Interest expense	(23,071)	(12,825)	(63,154)	(46,300)
Depreciation	(12,740)	(5,591)	(22,298)	(14,960)
Property, plant and equipment written off	(39)	(90)	(43)	(98)
Net (impairment)/reversal of allowance for impairment of trade and other receivables	(163,111)	129	(164,321)	129
Reversal/(provision) for foreseeable losses for contract work in progress	205	(204)	205	(137)
Loss on disposal of property, plant and equipment	(631)	(612)	(1,681)	(338)
(Impairment)/write back in value of stock properties	(949)	416	(949)	416
Unrealised (loss)/gain on foreign exchange	(705)	21,972	(20,472)	12,947

B4 Prospect For Financial Year 2018

The Engineering & Construction Division of the Group is expected to continue to build on its strong order book, after having secured a few new infrastructure contracts in 2017 amounting to approximately RM2.0 billion, 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 profit to improve.

With a subdued property market outlook, the Property Development Division of the Group adopts a more cautious approach in launching any new project in 2018 and will continue to intensify its marketing and sales initiatives to promote the Group's existing properties for sale.

The Property Investment & Management Division of the Group is expected to continue to provide a stable income stream to the Group. With the opening of Paradigm Mall in Johor Bahru and New World Hotel at Paradigm in Kelana Jaya for business in November 2017 and January 2018 respectively, the contribution from this Division is expected to grow steadily.

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 coming financial year.

B5 Variance Of Actual Profit From Forecast Profit

Not applicable to the Group.

B6 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months period to 31.12.2017) RM'000	PRECEDING YEAR CORRESPONDING QUARTER (3 months period to 31.12.2016) RM'000	CURRENT YEAR (12 months period to 31.12.2017) RM'000	PRECEDING CORRESPONDING YEAR (12 months period to 31.12.2016) RM'000
Taxation comprises:				
Income tax				
- current year	7,517	14,073	60,395	54,264
- prior years	(546)	47	(1,289)	14,854
Deferred taxation	15,342	(889)	19,626	(12,287)
	<u>22,313</u>	<u>13,231</u>	<u>78,732</u>	<u>56,831</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 reporting quarter ended 31 December 2017 is lower than the statutory tax rate mainly due to certain income subject to lower tax rate.

The Group's effective tax rate (excluding the results of associates and joint ventures which are equity accounted net of tax) for the current year ended 31 December 2017 and the preceding corresponding year and quarter ended 31 December 2016 is higher than the statutory tax rate mainly due to certain expenses not deductible for tax purposes.

B7 Status of Corporate Proposals Announced

Save as disclosed below, the Group did not announce any corporate proposal which has not been completed as at 20 February 2018 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

On 16 October 2017, the Company announced that it has proposed to undertake a fresh placement exercise involving the issuance of up to 140,000,000 new ordinary shares ("Placement Shares") representing approximately 10% of the existing issued and paid-up share capital of the Company for the purpose of raising additional working capital funds for the Company and its subsidiaries, part repaying bank borrowings as well as to enlarge its equity base ("Proposed Placement").

On 18 January 2018, Bursa Malaysia approved the listing and quotation of up to 140,000,000 Placement Shares on the Main Market of Bursa Malaysia subject to, inter-alia, the following conditions:

- (1) The Company and Maybank Investment Bank Berhad ("Maybank IB") must ensure strict compliance with Paragraph 6.03(1) of the Main Market Listing Requirements of Bursa Malaysia ("Main Market Listing Requirements") and obtain shareholders' approval for the renewal of mandate at the forthcoming annual general meeting;
- (2) The Company and Maybank IB must fully comply with the relevant provisions under the Main Market Listing Requirements pertaining to the implementation of the Proposed Placement;
- (3) The Company and Maybank IB to inform Bursa Malaysia upon the completion of the Proposed Placement;
- (4) The Company to furnish Bursa Malaysia with a written confirmation of its compliance with the terms and conditions of Bursa Malaysia' approval once the Proposed Placement is completed; and
- (5) If relevant, the Company to furnish Bursa Malaysia with a certified true copy of the resolution passed by the shareholders at the forthcoming annual general meeting for the authority to issue shares pursuant to the Companies Act, 2016 before the listing of the Placement Shares.

The issue price for the Placement Shares has not been fixed and will be determined by the Board at a later date.

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 on 25 March 2010 are as follow:

	As at 31.12.2017 RM'000	As at 31.12.2016 RM'000
Total retained profits of the Company and its subsidiaries:-		
- Realised	918,193	1,046,233
- Unrealised	439,217	254,249
	<u>1,357,410</u>	<u>1,300,482</u>
Total share of retained profits from associates:-		
- Realised	84,250	100,679
- Unrealised	(49)	-
	<u>84,201</u>	<u>100,679</u>
Total share of retained profits/ (accumulated losses) from joint arrangements:-		
- Realised	102,465	28,161
- Unrealised	105,356	160,913
	<u>207,821</u>	<u>189,074</u>
Less : Consolidation adjustment	<u>(230,495)</u>	<u>(255,338)</u>
Total Group retained profits as per consolidated accounts	<u><u>1,418,937</u></u>	<u><u>1,334,897</u></u>

B9 Group Borrowing And Debt Securities

Details of group borrowings are as follows:-

	As at 31.12.2017 RM'000	As at 31.12.2016 RM'000
Long Term Bank Borrowings		
<u>Secured:-</u>		
Long Term Loan	627,314	395,420
Hire Purchase Creditors	29,818	13,292
	<u>657,132</u>	<u>408,712</u>
<u>Unsecured:-</u>		
Sukuk Murabahah	800,000	750,000
MTN	800,000	1,000,000
	<u>1,600,000</u>	<u>1,750,000</u>
	<u>2,257,132</u>	<u>2,158,712</u>
Short Term Bank Borrowings		
<u>Secured :-</u>		
Hire Purchase Creditors	9,691	3,426
Revolving Credit	279,164	307,733
Term Loans	46,720	243,640
	<u>335,575</u>	<u>554,799</u>
<u>Unsecured :-</u>		
Banker's acceptance	13,016	25,037
Bank Overdraft	-	7,805
MTN	200,000	-
Sukuk Murabahah	150,000	-
Revolving credit	307,155	186,583
Term loan	22,302	49,266
	<u>692,473</u>	<u>268,691</u>
	<u>1,028,048</u>	<u>823,490</u>
Total Bank Borrowings	<u>3,285,180</u>	<u>2,982,202</u>

Key:

Sukuk Murabahah - RM1.5 billion Sukuk Murabahah Programme

MTN - RM 1.0 billion Medium Term Notes

B10 Material Litigation

- (i) 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 20 February 2018 (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 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, 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. On 25 October 2017, the Court of Appeal (again) rejected Meydan’s Civil Suit and upheld the decision of the Court of First Instance. Meydan has (again) appealed to the Court of Cassation and WCTB will continue to oppose the same.

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

B10 Material Litigation (Cont'd.)

(ii) On 9 September 2017, AEON Co. (M) Bhd (“the Plaintiff”) had commenced a suit by way of Originating Summons against Gemilang Waras Sdn Bhd (“the Defendant” or “GWSB”), a wholly-owned subsidiary of WCT Land Sdn Bhd (“WCTL”) in the High Court of Malaya in Kuala Lumpur (“the Suit”) in relation to the renewal of the lease (“Lease”) for AEON Mall Bukit Tinggi (“the Leased Property”) where the Plaintiff is seeking the following primary reliefs:-

- (1) Injunction to prevent the Defendant or its agents or its servants or its affiliate or its holding company from taking any action to terminate the Lease Agreement dated 23 November 2007 pending the court’s decision;
- (2) Injunction to prevent the Defendant or its agents or its servants or its affiliate or its holding company from taking any action to evict the Plaintiff and/or its tenants from the Leased Property and/or having any dealing in relation to the same pending the court’s decision;
- (3) Interlocutory injunction to maintain the status quo of the Defendant and the Plaintiff pending the court’s decision;
- (4) Declaration that the Lease has been renewed or specific performance to compel the Defendant to take all necessary formal step to renew the Lease and/or damages; and
- (5) Any other reliefs that the court deems fit.

The Defendant had appointed external lawyers to oppose and defend the Suit and in the course of defending the Suit, had on 4 December 2017 filed its counterclaim (“Counterclaim”) against the Plaintiff by way of a Notice of Application seeking the following primary reliefs:-

- (1) Vacant possession of the Leased Property to be delivered to the Defendant;
- (2) Damages to be paid by the Plaintiff to the Defendant in the form of double rental in the amount of RM4,838,590.90 per month (calculated on the basis of a monthly rental of RM2,419,295.45) pursuant to section 28(4) of the Civil Law Act 1956;
- (3) Alternatively, for damages to be assessed, calculated from 23 November 2017 until the date vacant possession of the Leased Property is delivered to the Defendant; and
- (4) Any other reliefs that the court deems fit.

The Suit is not expected to have any material financial or operational impact on the Group.

The Board is of the view that GWSB has good grounds to oppose and defend the Suit and to pursue its Counterclaim. Both the Suit and the Counterclaim are presently still on-going.

B11 Dividends

	Paid in Year Ended 31 December 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
<u>Final single tier dividend paid</u>		
For the financial year ended 31 December 2016		
- Share dividend of 1 treasury share for every 165 ordinary shares held	11,814	-
Total net dividend paid	11,814	24,981

Subject to the shareholders' approval at the forthcoming Annual General Meeting, the Directors recommended a final single tier cash dividend of 3.00 sen per ordinary share.

B12 Earnings Per Share

	Reporting Quarter 31.12.2017	Current Year 31.12.2017
(a) Basic Earnings Per Share		
Profit attributable to the equity holders of the parent (RM'000)	59,274	154,622
Weighted average number of ordinary shares in issue ('000)	1,415,256	1,369,146
Basic earnings per share (sen)	4.19	11.29
(b) Fully Diluted Earnings Per Share		
Profit attributable to the equity holders of the parent (RM'000)	59,274	154,622
Weighted average number of ordinary shares in issue ('000)	1,415,256	1,369,146
Effects of dilution:		
Share options ('000)	2,787	3,363
Warrants ('000)	-	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,418,043	1,372,509
Fully diluted earnings per share (sen)	4.18	11.27

B13 Comparative Figures

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

Date: 26th February 2018