

Dear Valued Shareholders,

For the year just ended, WCT Group registered a consolidated revenue of RM2,782 million with operating and net profit soared to RM301 million and RM148 million respectively.

The Engineering and Construction Division continued to be the main thrust of the Group's business activities. It contributed RM2,525 million or 91% to the Group's consolidated revenue. In terms of operating profits, it achieved RM191 million or 63% of the total operating profits of the Group.

Meanwhile, the Group's Property Division also fared commendably with revenue of RM257 million or 9% of the Group's consolidated revenue. Operating profit was RM97 million or 32% of the Group's total operating profits.





Bahrain City Centre

ENGINEERING & CONSTRUCTION

Construction activities have been on an upswing since 2006. In 2007, we secured a total RM7.30 Billion of new construction contracts. Of these, WCT's portion in these contracts amounts to RM3.97 Billion – the best annual order book replenishment in our history. The largest job secured during the year is the contract for construction of the Meydan Racecourse, valued at RM4.60 Billion.

When completed, it will be one of the most iconic infrastructures in Dubai and is set to host the luxury Dubai World Cup in 2010. In Malaysia, we continued to secure the confidence of our client with the landing of high-rise Government Office building jobs with combined value of RM457 million. Construction works for these new projects are progressing steadily.

Project Description	Location	Contract Value (RM million)	Contract Period (Months)	Expected Year of Completion
2007				
Dubai World Central International Airport – Storm Water Drainage & Sewerage System	Dubai, U.A.E.	486	18	2008
Abu Dhabi F1 Circuit	Abu Dhabi, U.A.E.	1,300	18	2009
Bahrain City Centre Hotels Fit-out Works	Manama, Bahrain	270	14	2008
Lot 4G8 Putrajaya Government Office Building	Putrajaya, Malaysia	195	28	2010
Lot 4G9 Putrajaya Government Office Building	Putrajaya, Malaysia	262	28	2010
Meydan Racecourse	Dubai, U.A.E.	4,600	25	2009
Aeon Mall Bukit Indah	Johor, Malaysia	185	14	2009



Meydan Racecourse, Dubai



Putrajaya Building

Construction activities in Malaysia are expected to trend at a slower pace for the rest of the year after the recent federal and state elections. The push towards transparency and efficiency by the Government will elevate the opportunities offered to competent contractors and we in WCT welcome this as we are confident that we have the necessary skills and competencies to handle any of the projects for the nation. As one of the nation's most prominent builders in the global market, WCT remains focused on the domestic market and will continue to bid for any opportunity that arises.

WCT has been in the Gulf for 6 years now with our first project being the prestigious Bahrain International Circuit. Having successfully completed this iconic infrastructure in 2004 which has since hosted five F1 Grand Prix, we continued to expand into Qatar, Dubai and Abu Dhabi in the U.A.E. With the successes of securing of construction projects in each of these countries, we are confident that the Gulf will continue to offer numerous construction opportunities for contractors in years to come in view of the national budget surpluses contributed by higher oil revenue. The ability to complete projects in a timely manner together with delivering world class products are keys to building a solid reputation and image in order to enhance the success of securing more projects in the future. Besides the Gulf States, we are poised to enter the construction market of Vietnam after receiving the necessary authority approval to conduct construction business there.

PROPERTY

Property development activities commenced in 1996 and as we head into the 11th year, the business has been growing from strength to strength. The township of Bandar Bukit Tinggi I and II have reached maturity with 92% and 90% of the land having been developed respectively. The majority of the remaining land are in commercial zones. The Group is pushing ahead with the development activities in BBT Parklands.

The BBT Mall completed in 13 months, opened for business on 24th November, 2007. The Mall has been leased to Aeon (Jusco) and the Group hopes to acquire the skills of mall management through this arrangement for other future malls which would be developed. The BBT Mall has been very successful and this help raised the profile of the BBT Township and we are seeing healthy sales and increased selling prices of our properties. The Group is planning other complementary commercial development in the land adjacent to the Mall in the future.

The expansion and diversification out of township development into local mixed commercial and luxury homes development as well as venturing into overseas market gathered speed in 2007. We have obtained the planning approvals and the development order for the mixed commercial development in Kelana Jaya, Petaling Jaya known as "The Paradigm". Piling and basement works have commenced. In Kota Kinabalu, Sabah we have commenced piling work on the luxury homes development located in Sutera Harbour. The show house is being constructed and will be ready in the first half of 2008.

In Vietnam, the Group has received an Investment Certificate from the Ho Chi Minh's People's Committee for a mixed commercial development on a 9-hectare land. The Government has agreed to resettle this piece of land for the JV in which the Group's share is 67%. The JV partner is a local Vietnamese company. The Group will build the largest shopping mall in Vietnam on this site. We hope this will be the first of many of our ventures in Vietnam.

Bandar Bukit Tinggi I, II and Parklands

Demand for the Group's properties in the above townships remained stable in 2007 due to the favourable demographics in the Klang Valley and the strong catalyst provided by the BBT Mall. The development has accumulated total sales of RM2.50 Billion for the 3 townships to date. Apart from achieving the solid financial performance over the years, we are proud to have played a leading role in changing Southern Klang city into the fastest growing corridor in the Klang Valley. Our townships are today home to a population of more than 40,000 people. The availability of schools, recreation parks, hypermarkets, shopping malls, commercial centre and excellent infrastructure helps create the lifestyle that is so important for family living. We are confident these townships will continue to grow as the Group continues to harness better financial rewards from the remaining undeveloped land.



Bandar Bukit Tinggi Mall, Klang

The Paradigm @ Petaling Jaya

The Paradigm is an integrated mixed commercial development on 12.4 acres of land along the LDP Expressway in Kelana Jaya, Petaling Jaya. The development will comprise a shopping mall, 4 blocks of Grade A offices and basement car park. The total gross floor area is about 5.25 million square feet whilst the net floor area is 2.48 million square feet. The Paradigm will offer a convergence of business, retail, dining and entertainment. The shopping mall will cater mainly for the office workers and provide a source of retail and food and entertainment outlet for the established neighborhood. The Grade A offices will provide quality office space to cater to the demand due to the expansion of the economy and the relocation of offices from central Kuala Lumpur to the outskirts to avoid traffic congestion and higher rentals.

Construction works have commenced and the first phase would involve foundation and basement works. The push to market the offices and the shopping mall will commence once the first phase of the construction works has been completed.

Platinum Plaza, Ho Chi Minh City, Vietnam

The Group's 67% subsidiary, BSC-WCT Company Limited was awarded the Investment Certificate by the People's Committee of Ho Chi Minh City in January 2008 to undertake the Platinum Plaza project on a land measuring 9 hectares or approximately 22.2 acres. The land is located in the District of Binh Chanh in Ho Chi Minh City. The land is fronting the brand new 10 lane East West Highway called Nguyen Van Linh Road. This road connects the existing Highway 1A from the South with Highway 1A in the North. The land is administered by the specially created one stop agency, Management Authority for Southern Development (MASD). MASD is responsible for the administration of the entire Saigon South area including the well known modern township of Phu My Hung.

The project is an integrated development comprising a shopping mall, 2 office towers, a 4-star hotel, a SOHO block and car park. The total gross floor area of the development is approximately 671,960 square metres or 7.2 million square

feet. The shopping mall when completed will be the largest mall in Vietnam. The project is expected to take 4 years after the land has been resettled and will be developed over 3 phases.

d'Banyan Residency

This development of luxury homes will comprise 14 units bungalows, 48 units semi-detached and 60 units of superlink villas with a total projected gross development value of RM264 million. This represents the Group's first foray into the high end residential market which is set to benefit from the Government's relaxation of foreign ownership of properties and the exemption on Capital Gains Tax.

Bandar Bukit Tinggi Shopping Mall

This is the Group's first investment property. It was opened on 24th November, 2007 and became an immediate success. The mall is leased to Aeon Co. (M) Berhad for an initial term of 10 years with an option to renew the lease for another 3 terms of 5 years each. The lease rental will be revised every 3 years. The 5,000 car parks are managed and maintained by the Group and will contribute further to bottom line. We are of the opinion that it is necessary for the Group to start building up some investment properties for future recurring income. Good assets are difficult to come by and we should grow these assets until we are convinced that the market price has reached an attractive level. This investment is in line with the Group's long term strategy and objective of developing more commercial properties for the purposes of generating stable recurring income.

TOLL CONCESSIONS

The Group's investments in Toll Concessions date back to 1999 when WCT, via a consortium of Malaysian contractors, ventured into India and constructed the 145km Tada to Nellore highway under the BOT scheme. Tolling commenced in 2004 and the increase in traffic volume and revenue is very encouraging. Our investments in 2 other BOT highway projects, namely, the Durgapur Expressway and the Panagarh-Palsit Expressway have been completed and the concession company is paid on a semi-annuity method.

RISING TO GLOBAL CHALLENGES

The sharp increases in oil and commodity prices have resulted in significant increases in construction material prices. This trend has continued into 2008. Whilst this has affected many stakeholders in the construction industry, contributions from construction and property development activities improved in 2007. The stronger results were achieved from careful pricing, planning and purchasing and better efficiency during projects execution. Financial discipline and conservative approach to doing business remains the management style in WCT.

The increases in construction costs are even more pronounced in the Gulf where a significant portion of the order book originates. The mega projects secured in 2007, the Abu Dhabi F1 Circuit and the Meydan Racecourse in Dubai, which form a large portion of the Group's construction order book, are largely negotiated contracts where various risks are factored into the prices of each part of the works. The experience of more than 6 years building and constructing in the Gulf countries helped the team a great deal building up the prices during the bids. In addition, the Group was able to secure prices of bulk materials in early part of the construction program. In the addition, the Group adopted the policy of not agreeing to prices for works whose designs have not been completed. Existing projects are already quite advance in the construction program and have not been severely affected.

Going forward, the Group will continue to focus on the Gulf countries. The opportunities created by the successful completion of the Bahrain F1 Circuit have enabled the Group to secure the Abu Dhabi F1 Circuit and the Meydan Racecourse. We are very confident that the successful completion of these 2 mega and high profiled projects will augment even more successes for the Group going forward. We will continue to focus our attention and energy on these 2 projects to ensure their completion. We are also paying attention to our clients and putting in the efforts to nurture long lasting relationships with them for future works. The building activities are so immense in the Gulf that there are many reports of tenders that did not attract even a single bid. We will continue to be selective about the type of work we choose and concentrate on projects that fit our profile and strength.

MOVING FORWARD STRATEGIES

WCT will continue to maintain its presence and businesses in Malaysia. The country is important for us and we will seek more opportunities in the construction field. Our entry into the development of commercial properties will continue and we are positive it will improve the gross profit of the property division.

The Group, within 6 years, has successfully established a strong presence in the Gulf through the undertaking of high profile mega projects. To reflect this strong presence and the continuing efforts to expand our reach in this region, the Group has also set up a full fledged regional offices that will serve as important contact points for clients, consultants, suppliers and others with the Group.

Our entry in Vietnam is through 2 Investment Certificates, one to start a construction company, WCT Engineering Vietnam Company Limited and the other BSC-WCT Company Limited. The construction company will be fully involved in the construction of the Platinum Plaza development when the land is fully resettled and compensated.

The expansion of businesses in these 3 countries will drive the Group forward. Our focus will still be very much in construction and property development. The Group will continue to explore other related business opportunities in the global market to improve our operational and financial performance. We will continue to build on our strength by growing our core businesses. Whilst the Group has a solid outstanding construction order book, we will continue to replenish this order book with carefully selected construction projects that provide margin enhancement to the Group's bottom line. The new high end developments of Paradigm, d'Banyan Residency and the Platinum Plaza are excellent projects to expand WCT's forte in the property industry. These, geared with detailed implementation strategies, are expected to generate respectable shareholders' returns in the coming year and beyond.

Taing Kim Hwa
Managing Director

28 April 2008