

annual report



2001



Board of Directors & Profile	2
Corporate Information	4
5 Years' Financial Highlights	5
Chairman's Statement	6
Audit Committee	9
Financial Statements	11
List of Properties	49
Analysis of Shareholdings	51
Notice of Annual General Meeting	53
Notice of Nomination of Auditors	56
Proxy Form	

COVER RATIONALE



The cover design for the annual report is reflective of the true characteristics of WCT Engineering Berhad. Its emphasis on strategic and focussed direction with a clear vision contributes to its success. Equally important are the commitment and perseverance of its qualified workforce who execute these plans and strategies accordingly. For in all its endeavours, WCT's commitment to its clients is based on its corporate culture which is driven by a total commitment to quality, design innovation and timely job completion.

The cover also depicts the Group's aspirations to establish a solid base for future growth, which will be global in nature. Charting for an expansionary policy for the year ahead will steer the Group to enhance existing operations and search for the right opportunities to grow its core businesses of property, construction and trading, to maximise overall shareholder returns.



BOARD OF DIRECTORS

Seated from left:

Wong Sewe Wing
Executive Director

**Dato' Capt. Ahmad Sufian @
Qurnain bin Abdul Rashid**
Executive Chairman

Taing Kim Hwa
Managing Director

Standing from left:

Choe Kai Keong
Executive Director

Goh Chin Liong
Executive Director

Chua Siow Leng
Executive Director

Choo Tak Woh
Independent Non-Executive Director

Cheah Hon Kuen
Independent Non-Executive Director

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid

Executive Chairman

Y Bhg DATO' CAPT. AHMAD SUFIAN @ QURNAIN bin ABDUL RASHID, aged 52, the Executive Chairman, was appointed to the Board on 12 August 1996. He is a Master Mariner and holds a Master Foreign-Going Certificate of Competency from the United Kingdom and a Diploma in Applied International Management from the Swedish Institute of Management. He has also attended the Advanced Management Program at Harvard Business School. Dato' Capt. Sufian has over thirty years of experience in the international maritime industry and is currently the Chairman of Global Maritime Ventures Berhad, a marine venture capital company formed by the Ministry of Finance, Malaysia.

Taing Kim Hwa

Managing Director

TAING KIM HWA, aged 48, the Managing Director, was appointed to the Board on 14 January 1981 and is one of the co-founders of the Company. He graduated from Sunderland Polytechnic (UK) with a Bachelor of Arts (Hons) in Economics. He is the driving force behind the company's growth since its early days as a private limited company right through the present times.

Wong Sewe Wing

Executive Director

WONG SEWE WING, aged 53, the Executive Director, was appointed to the Board on 14 January 1981 and is also one of the co-founders of the Company. He has over twenty years of experience in civil engineering, and is responsible for the efficient running of site operations and utilisation of plant and machinery.

Chua Siow Leng

Executive Director

CHUA SIOW LENG, aged 51, an Executive Director, was appointed to the Board on 15 October 1996. He graduated in Quantity Surveying and also holds a postgraduate Diploma in Law from City University, London. He is a Fellow of the Institution of Surveyors Malaysia, a Fellow of the Royal Institution of Chartered Surveyors, UK and a member of the Chartered Institute of Arbitrators, UK. He was the president of the Institution of Surveyors Malaysia in 1997. He attended the AMP Programme at Oxford University in 1999. Mr. Chua has more than twenty-five years working experience in the construction industry.

Goh Chin Liong

Executive Director

GOH CHIN LIONG, aged 42, an Executive Director, was appointed to the Board on 12 August 1996. He graduated from the University of Malaya with a Bachelor of Engineering degree. His main responsibility is overseeing all construction projects undertaken by the Group and liaising with clients, consultants and government departments on matters related to the works. Mr. Goh has been with the Group for more than nine years.

Choe Kai Keong

Executive Director

CHOE KAI KEONG, aged 50, an Executive Director, was appointed to the Board on 6 September 2000. He holds a Bachelor of Science (Civil Engineering) from Sunderland Polytechnic (UK). He has been with the company since 1990 and was previously working with an engineering consulting firm. He is mainly responsible for the management of property development by the Group.

Cheah Hon Kuen

Independent Non-Executive Director

CHEAH HON KUEN, aged 45, is an Independent Non-Executive Director, and was appointed to the Board on 26 November 1994. He is also the Chairman of the Audit Committee. Mr. Cheah graduated from the University of Singapore with a Bachelor of Science degree and also a Diploma in Education from the Institute of Education, the National University of Singapore. He is a member of the Institution of Electrical and Electronics Engineers Inc.

Choo Tak Woh

Independent Non-Executive Director

CHOO TAK WOH, aged 50, is an Independent Non-Executive Director, and was appointed on 16 December 1999. He is a member of the Audit Committee. He obtained the Chartered Association of Certified Accountants (UK), qualified from Luton College, Bedfordshire, United Kingdom. He is also a Registered Accountant with the Malaysian Institute of Accountants (MIA). Mr. Choo has held various positions covering accountants, senior manager, finance and administration within the New Straits Times Press (M) Berhad Group.

BOARD OF DIRECTORS

**Dato' Capt. Ahmad Sufian @
Qurnain bin Abdul Rashid**
(Executive Chairman)

Taing Kim Hwa
(Managing Director)

Wong Sewe Wing
(Executive Director)

Chua Siow Leng
(Executive Director)

Goh Chin Liong
(Executive Director)

Choe Kai Keong
(Executive Director)

Cheah Hon Kuen
(Independent Non-Executive Director)

Choo Tak Woh
(Independent Non-Executive Director)

Audit Committee

Cheah Hon Kuen *(Chairman)*

Choo Tak Woh

Taing Kim Hwa

Company Secretary

Loo Shen Chang (MACPA 2521, MIA 7069)

Registered Office

12, Jalan Majistret U1/26, Seksyen U1
Lot 44, Hicom-Glenmarie Industrial Park
40150 Shah Alam, Selangor Darul Ehsan
Tel: 03-705 2266 Fax: 03-704 9877
E-mail Address: wctbhd@wcte.com.my

Bankers

Malayan Banking Berhad (3813-K)
HSBC Bank Malaysia Berhad (127776-V)
Bumiputra-Commerce Bank Berhad (13491-P)
United Overseas Bank (Malaysia) Berhad (271809-K)
Hong Leong Bank Berhad (97141-X)
Bank Utama (Malaysia) Berhad (27714-A)
RHB Bank Berhad (6171-M)
Affin Bank Berhad (25046-T)

Auditors

Roger Yue, Tan & Associates
Wisma Tai Yoon
No. 9, Lorong Medan Tuanku Satu
Medan Tuanku
50300 Kuala Lumpur

Share Registrar

Malaysian Share Registration Services
Sdn Bhd (378993-D)
7th Floor, Exchange Square
Bukit Kewangan
50200 Kuala Lumpur

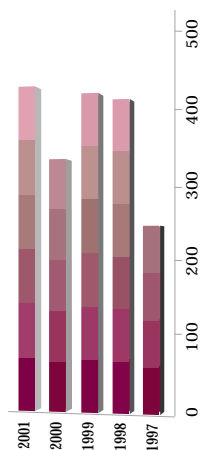
Stock Exchange Listing

Kuala Lumpur Stock Exchange – Main Board

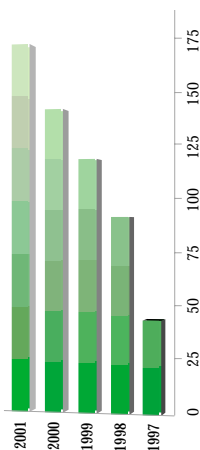
	Year Ended 31 Jan 2001 RM'000	Year Ended 31 Jan 2000 RM'000	Year Ended 31 Jan 1999 RM'000	Year Ended 31 Jan 1998 RM'000	Year Ended 31 Jan 1997 RM'000
Turnover	422,882	328,565	410,052	404,806	241,784
Profit Before Taxation (after exceptional items and share of results in associated company)	57,118	46,519	34,234	21,886	14,463
Taxation	(17,363)	(14,023)	543	(10,723)	(4,063)
Profit After Taxation	39,755	32,496	34,777	11,163	10,400
Shares In Issue	93,998	57,780	56,928	37,620	19,800
Shareholders' Funds	171,822	140,759	117,469	91,966	44,471
Dividends (%)	12.5	20	20	10	10
Earnings Per Share (sen)**	42	35	62	31	53
Net Tangible Assets Per Share (RM)	1.83	2.43	2.06	2.44	2.25

** Computed based on the Weighted Average Number of Shares in Issue wherever applicable.

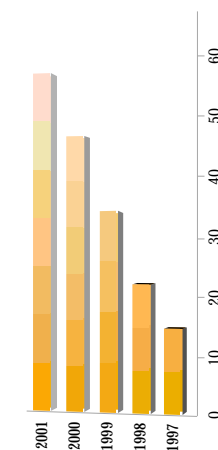
Turnover (RM Million)



Shareholders' Fund (RM Million)



Profit Before Tax (RM Million)





ON BEHALF OF THE BOARD OF DIRECTORS,

IT IS MY PLEASURE TO PRESENT THE ANNUAL REPORT AND THE AUDITED ACCOUNTS OF WCT ENGINEERING BERHAD AND THE GROUP FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2001.

I am happy to report to the shareholders that the Group in the first financial year of the new millennium started off with satisfactory results. The performance, which is better than last year, adds another chapter to the Group's profitable track record since listing.

While we have reasons to rejoice on the continuous profitable performance of the Group since listing, we must not be complacent. Amidst a changing business environment, it is a challenge to the Group to maintain and improve on its track record.

The financial year 2001 also witnessed several activities in the Company, namely the raising of Bonds and exploring for construction works overseas. In the opinion of the Board, these activities are for the long term benefits of the Group.

Financial Results

Group profit before tax for the current financial year is RM57.12 million, an improvement in comparison to the previous year's results of RM46.52 million. Group turnover is RM422.88 million, a significant increase from the previous year's turnover of RM328.57 million.

Group Shareholders Funds is RM171.82 million at year end. An earnings per share based on the weighted average of number of shares in issue is 42 sen as against 35 sen in the previous year.

Net tangible asset per share as at 31 January 2001 is RM1.83.

Dividends

The Company declared an interim tax-exempt dividend of 7.5% in July 2000, which was paid out to the shareholders in October 2000.

The Board has recommended a final tax-exempt dividend of 2.5% and a special tax-exempt dividend of 2.5% to be paid to the shareholders based on the results for the financial year ended 31 January 2001.

Review of Operations

The principal activities of the Group during the financial year have remained virtually unchanged from the previous year. These activities are:-

- a) Construction
- b) Property development
- c) Trading



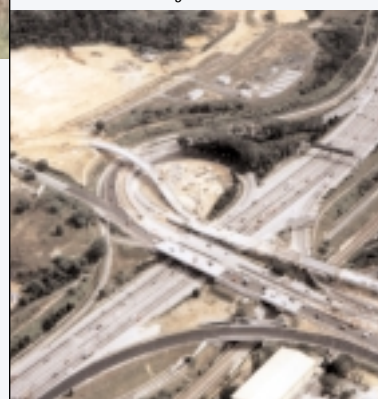
▲ Construction of bridges at Kuala Kangsar Interchange

▼ Slope stabilisation works in progress at Lojing - Pos Blau, Blue Valley



▲ Completed double storey terrace houses (Phase 1A) in Bandar Bukit Tinggi 1

▼ Aerial View of the completed Subang West Interchange



Construction

Construction works is still the core business activity of the Group. The Company and its subsidiary WCT Construction Sdn Bhd continue to be actively involved in the construction works. The contribution to the Group's performance is mainly from the construction activities.

During the year, the construction industry remained very competitive. The economy that was showing signs of improvement in 1999 did not sustain itself throughout 2000. Signs of a general slowdown in the construction industry were felt in the latter part of the year, in spite of the incentives and measures that were announced in Budget 2001 to maintain the momentum.

For the year just ended, several projects were completed. The extension to the Formula 1 Racing Circuit was completed within the contract period of four and a half months, in time for the Formula 1 Race in October 2000 at Sepang. The Subang West Interchange was also completed and handed over to the client within the contract period. The Company also completed a few phases of the development projects at Bandar Bukit Tinggi for its associated company Labur Bina Sdn Bhd.

As part of its ongoing activities to secure more construction contracts, the Company was active in tendering for projects both within the country and also overseas. The big tenders within the country were mainly for government projects called by Putrajaya Holdings Sdn Bhd, Malaysia Airports Holdings Berhad and Jabatan Kerja Raya. The award of the RM408 million office building project at Lot 2G3 and 2G4 by Putrajaya Holdings Sdn Bhd in April 2001 marks another milestone for the Company. It will contribute positively to the turnover and profit for the coming year and enhance our prospects for the future.

In line with the Company's long term plans to secure construction works overseas, the Company has also tendered for projects in India. The Company through its 10% interest in a Malaysian consortium, CIDB Inventures Sdn Bhd, is one of the contractors that will be doing the privatised highway projects at Tada to Nellore stretch of NH5 in India. The said project is on Build, Operate and Transfer concept with a concession period of thirty years.

Property Development

The property development outlook remains weak, particularly in the commercial and retail sector. However

the outlook for residential property is dependent on factors of prices and location. There are still niche demands for affordable houses at certain locations in the country.

The Group's current ongoing property development at Bandar Bukit Tinggi in Klang is still attracting good demand. The Group's maiden property development project, which was first launched in mid 1998 by its associated company Labur Bina Sdn Bhd, has to date achieved gross sales of approximately RM480 million.

The associated company's strategy of building low and medium cost apartments and houses which are priced within the financial institutions' guidelines to provide end financing is instrumental in achieving the high sales turnover by the associated company. Turnover generated by the associated company for the year was RM100 million. The associated company also contributed RM4.84 million to the Group's after tax profit.

Labur Bina Sdn Bhd had successfully handed over Phase 1A comprising 252 units of medium cost double-storey link houses and Phase 1E1 bungalows in September 2000. Another 370 units of double-storey link houses were handed over in December 2000. A few more phases will be handed over in year 2001.

Subsequent to the year end, the Company's wholly owned subsidiary Gemilang Waras Sdn Bhd had its maiden launch of 257 units of double storey link houses in February 2001. At the time of reporting, 224 units of the houses equivalent to 87% have been sold. Another eight launches are planned in the remaining months of year 2001, comprising mainly double-storey link houses and low-cost flats.

In this respect, the Company anticipates that the Group's future results will see a higher share of contribution from the property development sector.

Trading

Trading activities, which is handled by WCT Products Sdn Bhd, has not materially increased from the previous year. Total turnover in the year was RM31.85 million, with the bulk of sales confined to companies within the Group. External sales which accounted for only RM4.63 million was mainly to the Group's sub-contractors in which credit risks is minimal.

Overseas Ventures

The Company through its 10% equity interest in CIDB Inventures Sdn Bhd is actively participating in a privatised highway project in India under the Build, Operate and Transfer concept. The project involves two stretches of highway, and a consortium of three construction companies, including WCT Engineering Berhad, will build the NH 5 portion of the said privatised highway project with a concession period of thirty years.

Besides participating in the said concession project, the Company is also involved in other road construction tenders called by the Indian authorities.

The Company's foray into overseas ventures is a new direction taken to diversify its geographical areas of operation. The Company is aware of the challenges and inherent risks by going offshore, and will take the necessary precaution to minimise the potential pitfalls that may surface in the event that a project is secured.

Corporate Development

The Company's corporate exercise of a bonus issue and issue of bonds with detachable warrants was successfully completed in October 2000 and March 2001 respectively, with the listing of the warrants on the Kuala Lumpur Stock Exchange. The Company has also utilised part of the bonds proceeds to retire the Term Loan of RM84 million taken by its subsidiary Gemilang Waras Sdn Bhd. At the time of reporting the Company has yet to fully utilise the balance of the bonds proceeds.

ISO 9002

WCT Engineering Berhad's commitment to quality and safety in its construction works has been rewarded with the securing of the ISO 9002 by Standard Industrial Research Institute of Malaysia (SIRIM) on 4 May 2001.

Future Outlook

The economic recovery that was seen in the last two years has slowed down in the current year. The prevailing mood in the market is one of caution. With the expectation of an economic slow down in the United States and Japan in the current year, the negative effects thereof will likely be felt in the country. Nevertheless, the economic growth that was experienced by the country in the few years following the crisis may not be experienced again in the next few years. The government has however responded to the situation by taking measures to cushion the after effects of a slow down, such as the provision of RM3 billion for infrastructure projects and the building of schools and hospitals.

Fortunately for the Company, the balance of contract sum of projects in hand will sustain the Company for at least the next two years. Coupled with its active exploration of overseas projects in India, the Company hopes to build up its order book and overcome the challenges ahead. Notwithstanding the difficult times in the

future, the Company will strive to maintain its continuous profit track record in the coming financial year.

Appreciation

The continuing satisfactory performance of the Group is undeniably due to the dedication of the management and staff, support from suppliers, bankers, government departments, consultants, our business partners and shareholders. To each and every one of you, I wish to express our sincere appreciation and gratitude.

Finally I must also express my appreciation to my fellow Directors who have given their invaluable time and effort in helping the Company and the Group to achieve the success it has attained in the past year. I also wish to welcome on board our new Executive Director Mr Choe Kai Keong who has been working with the Company for the past ten years.

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid

Executive Chairman



Completed 4/5 storey/office (Phase 3B4) in Bandar Bukit Tinggi 1

Completed slope with Hydroseeding at Lojing - Pos Blau, Blue Valley

Aerial View of development at Bandar Bukit Tinggi 1

The official launching of Bandar Bukit Tinggi 2 Township in Klang on 28 February 2001

WCT Group - 20th Anniversary Dinner

Audit Committee

The members are:-

Cheah Hon Kuen (*Independent Non-Executive Director*) (*Chairman*)

Choo Tak Woh (*Independent Non-Executive Director*)

Taing Kim Hwa (*Managing Director*)

Terms of Reference

The terms of reference of the Audit Committee established by the Board of Directors are as follows:-

Membership

An Audit Committee shall be appointed by the Directors from among their numbers (pursuant to a resolution of the Board of Directors) and shall comprise of not fewer than three (3) members of whom a majority shall not be:-

- a) Executive Directors of the Company or any related corporation;
- b) a spouse, parent, brother, sister, son or adopted son or daughter or adopted daughter of an Executive Director of the Company or of any related corporation; or
- c) any person having a relationship which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgement in carrying out the functions of an Audit Committee.

Meeting

The Committee shall hold not less than four (4) meetings per year. The external auditors may request a meeting to be held if they consider that one is necessary.

The Executive Director, the Head of Finance and the Internal and External Auditors or their representative shall usually attend the Audit Committee meetings.

Authority

The Committee is authorised by the Board to investigate any activity within its terms of reference.

The Committee is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Duties

The functions of an Audit Committee shall be:-

1. to review –
 - a) with the external auditor the audit plan;
 - b) with the external auditor, his evaluation of the system of internal accounting controls;
 - c) with the external auditor, his audit report;
 - d) the assistance given by the Company's officers to the auditors;
 - e) the scope and results of the internal audit procedures; and
 - f) the balance sheet and profit and loss account of the Company and, if it is a holding company, the consolidated balance sheet and consolidated profit and loss account, submitted to it by the Company or the holding company, and thereafter to submit them to the Directors of the Company or the holding company;
 - g) any related party transactions that may arise within the Company or Group; and
2. to nominate a person or persons as auditors together with such other functions as may be agreed to by the Audit Committee and the Board of Directors.

Minutes

Minutes of each meeting shall be kept and distributed to each member of the Audit Committee and the Board. The Chairman of the Audit Committee shall report on each meeting to the Board. The Secretary to the Audit Committee shall be the Company Secretary.



Directors' Report	12
Statement by Directors	18
Statutory Declaration	19
Report of the Auditors to the Members	20
Balance Sheets	21
Income Statements	23
Consolidated Statement of Changes in Equity	24
Consolidated Cash Flow Statement	25
Statement of Changes in Equity	27
Cash Flow Statement	28
Notes to the Financial Statements	30

The directors have pleasure in submitting their report together with the audited accounts of the Group and the Company for the financial year ended 31 January 2001.

PRINCIPAL ACTIVITIES

The Company is principally engaged in civil engineering, specialising in earthworks, highway construction, related infrastructure works, housing development and also in investment and trading of properties. The principal activities of the Group are investment holding, civil engineering and construction works, trading of building materials, hiring and servicing of machineries and vehicles and property development. There were no significant changes in the nature of these activities during the year.

FINANCIAL RESULTS

	<i>Group</i> <i>RM</i>	<i>Company</i> <i>RM</i>
Net profit after taxation	39,755,012	26,449,652

DIVIDENDS

A final tax exempt dividend of 2.5% and a special tax exempt dividend of 10% amounting to RM1,462,338 and RM5,849,350 respectively proposed in the previous financial year was paid by the Company during the current financial year.

An interim tax exempt dividend of 7.5% amounting to RM4,405,950 was declared and paid by the Company during the current year.

The Directors now recommend to the shareholders to pay a final tax exempt and special tax exempt dividends of 2.5% each amounting to RM2,349,955 each for the current financial year which are subject to the approval of members at the forthcoming Annual General Meeting of the Company.

SHARE CAPITAL

During the year, the paid-up share capital of the company was increased as follows:-

- a) issue of 851,500 new ordinary shares of RM1.00 each at RM1.36 per share made under the Employees' Share Option Scheme;
- b) issue of 116,000 new ordinary shares of RM1.00 each at RM2.57 per share made under the Employees' Share Option Scheme.
- c) issue of 2,000 new ordinary shares of RM1.00 each at RM1.00 per share made under the Employees' Share Option Scheme.
- d) issue of 1,000 new ordinary shares of RM1.00 each at RM1.61 per share made under the Employees' Share Option Scheme.
- e) Bonus issue of 35,248,200 new ordinary shares of RM1.00 each on the basis of 3 new ordinary shares for every 5 existing ordinary shares held.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the year apart from those disclosed in the notes to the accounts.

DIRECTORS

The Directors who have held office during the year since the date of last report are :-

Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid
 Taing Kim Hwa
 Wong Sewe Wing
 Chua Siow Leng
 Goh Chin Liong
 Cheah Hon Kuen
 Choo Tak Woh
 Choe Kai Keong (appointed on 6.9.2000)

In accordance with Article 65 of the Company's Articles of Association, Wong Sewe Wing and Cheah Hon Kuen shall retire by rotation at the forth-coming Annual General Meeting and being eligible, offer themselves for re-election.

In accordance with Article 70 of the Company's Articles of Association, Choe Kai Keong who was appointed during the year, retires at the forth-coming Annual General Meeting and being eligible, offers himself for re-election.

According to the register of Directors shareholding required to be kept under Section 134 of the Companies Act, 1965, the Directors who held office at the end of the financial year and having interest in shares of the Company and related corporations during the year were as follows:-

Directors' shareholdings in the Company	At beginning of year/Date of appointment*	Number of Shares		At end of year
		Acquired	Disposed	
Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid				
- direct	445,500	375,300	492,000	328,800
Taing Kim Hwa				
- direct	2,428,950	1,689,130	-	4,118,080
- deemed interest	19,350,600	11,610,360	-	30,960,960
Wong Sewe Wing				
- direct	2,310,200	2,051,800	58,000	4,304,000
- deemed interest	19,350,600	11,610,360	-	30,960,960
Chua Siow Leng				
- direct	455,500	532,500	480,000	508,000
Goh Chin Liong				
- direct	276,650	261,990	-	538,640
Choe Kai Keong*				
- direct	168,550	101,130	-	269,680
Options granted in the name of directors	At beginning of year/Date of appointment*	Number of Share Options		At end of year
		Offered during the year**	Exercised	
Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid	180,000	72,000	60,000	192,000
Taing Kim Hwa	600,000	315,000	75,000	840,000
Wong Sewe Wing	540,000	252,000	120,000	672,000
Chua Siow Leng	270,000	72,000	150,000	192,000
Goh Chin Liong	480,000	252,000	60,000	672,000
Choe Kai Keong*	315,000	269,000 #	-	584,000

** Deemed offered by virtue of the Bonus Issue.

Including additional offer of 80,000 share options.

The share options were granted pursuant to the Company's Employees' Share Option Scheme and entitle the holders to subscribe for one new ordinary share of RM1.00 each per option.

Other than as disclosed, the directors do not hold any beneficial interest in shares in the Company and related corporations during the year.

DIRECTORS' BENEFITS

Except for the benefits under the Employees' Share Option Scheme, neither during nor at the end of the financial year, was the Company a party to any arrangements with the object or objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit, other than as disclosed in the accounts, by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

OPTIONS GRANTED OVER UNISSUED SHARES

a) EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

Pursuant to the ESOS which became effective on 24 January 1997, granting and exercise of options to subscribe up to 10% of the issued and paid-up share capital of the Company are made available to eligible directors and employees of the Group.

The salient features of the scheme are as follows :

- i) eligible employees are those who have been confirmed in writing as employees of the Group and has served the Group for a continuous period of at least one year prior to the date of the offer.
- ii) the option is personal to the grantee and is non-assignable.
- iii) the option price shall be determined by the average of the mean market quotation (calculated as the weighted average of the highest and lowest prices transaction) of the Company's ordinary shares as shown in the Daily Official list issued by the Kuala Lumpur Stock Exchange for the five trading days preceding the respective dates of the offer in writing to the grantee or at the par value of the ordinary shares of the Company whichever is higher.
- iv) the options granted may be exercised at anytime within a period of five years from the date of offer of the option subject to such other conditions or restrictions as the Employees' Share Option Scheme Committee may at its discretion decide and notify to the selected holder.
- v) the options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiples of 1,000 shares.
- vi) the options granted shall be capable of being exercised at any time or times during the option period.

The movements in the options to take up unissued ordinary shares of RM1 each are as follows:-

	<i>Number</i>
Balance as at 1 February 2000	4,121,500
Share options granted during the year	352,000
Share options granted during the year due to bonus issue 3 : 5	2,071,500
Share options exercised during the year	(970,500)
Share options unexercised arising from employees' resignation	(121,000)
Balance as at 31 January 2001	5,453,500

The exercise prices of the unexercised share options at the end of the year are as follows:-

<i>Number</i>	<i>Exercise Price (RM)</i>
3,285,300	4.03
1,316,400	1.00
322,200	1.61
529,600	2.40
<u>5,453,500</u>	

b) WARRANTS

Pursuant to the issue of RM120 million nominal amount of 5% redeemable unsecured bonds 2000/2005 with detachable warrants 2000/2005 at 100% of the nominal amount of the bonds to the Primary Subscriber, Arab-Malaysian Merchant Bank Berhad ("AMMB"), structured on a 'bought deal' basis, 46,999,100 warrants were issued to AMMB on 6 October 2000. The warrants were then offered and allotted to shareholders of the Company on 15 February 2001 by AMMB at an offer price of 36.3 sen per warrant on a renounceable basis of one(1) warrant for every two(2) existing ordinary shares held in the Company. The warrants were subsequently listed on Kuala Lumpur Stock Exchange on 8 March 2001.

The salient features of the warrants are disclosed in note 30(2) to the accounts.

SIGNIFICANT EVENTS

Save as disclosed in Note 30 to the accounts, there were no other significant events of the Group and the Company during the financial year.

EVENTS SUBSEQUENT TO BALANCE SHEET DATE

Save as disclosed in Note 31 to the accounts, there were no other significant events of the Group and the Company subsequent to the balance sheet date.

OTHER STATUTORY INFORMATION

- a) Before the income statements and balance sheets of the Group and the Company were made out, the directors took reasonable steps:
- (i) to ascertain the action taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts have been written off and that adequate provision has been made for doubtful debts.
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their value as shown in the accounting records of the Group and the Company have been written down to an amount which they might be expected so to realise.
- b) At the date of this report, the directors are not aware of any circumstances:
- (i) which would render the amounts written off for bad debts or the amount of provision for doubtful debts in the accounts of the Group and the Company inadequate to any substantial extent,
 - (ii) which would render the values attributed to current assets in the accounts of the Group and the Company misleading, or
 - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.
- c) At the date of this report, there does not exist :
- (i) any charge on the assets of the Group and the Company which has arisen since the end of the year which secures the liability of any other person,
 - (ii) any contingent liability of the Group and the Company which has arisen since the end of the financial year.
- d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the accounts which would render any amount stated in the accounts misleading.
- e) No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the year which, in the opinion of the directors, will or may affect the ability of the Group and the Company to meet its obligations when they fall due.
- f) In the opinion of the directors,
- (i) the results of the Group's and the Company's operations during the year were not substantially affected by any item, transaction or event of a material and unusual nature;
 - (ii) there has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and the Company for the current financial year.

ULTIMATE HOLDING COMPANY

The Company is not a subsidiary of another corporation during the financial year and as at the end of the financial year.

AUDITORS

Messrs. Roger Yue, Tan & Associates do not wish to seek re-appointment.

On behalf of the Directors,

**DATO' CAPT. AHMAD SUFIAN @
QURNAIN BIN ABDUL RASHID**
Executive Chairman

TAING KIM HWA
Managing Director

Kuala Lumpur

Date: 14 May 2001

We, the undersigned, being two of the Directors of WCT ENGINEERING BERHAD do hereby state that, in our opinion, the accompanying financial statements set out in pages 21 to 48, are drawn up in accordance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act so as to give a true and fair view of the state of affairs of the Group and the Company at 31 January 2001 and of the results of the operations of the Group and the Company and the Group's and the Company's cash flows for the year ended on that date.

On behalf of the Directors,

DATO' CAPT. AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID

Executive Chairman

TAING KIM HWA

Managing Director

Kuala Lumpur

Date: 14 May 2001

I, MD HILMI BIN DATUK HJ MD NOOR, being the Officer primarily responsible for the financial management of WCT ENGINEERING BERHAD do solemnly and sincerely declare that the accompanying accounts together with the notes thereon are correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared)
by the abovenamed at Kuala Lumpur)
in the Federal Territory this)
day of 14 May 2001)

Before me
Commissioner for Oaths

We have audited the consolidated financial statements set out on pages 21 to 48 of WCT ENGINEERING BERHAD comprising the balance sheets of the Group and the Company and the notes to the accounts at 31 January 2001 and income statements, statement of changes in equity of the Group and the Company and the cash flow statement of the Group and the Company for the year ended on that date.

These accounts are the responsibility of the company's directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with approved Standards on Auditing issued by the Malaysian Institute of Accountants. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatements. Our audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. Our audit also includes assessing the accounting principles used and significant estimates made by the directors as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:-

- a) the financial statements which have been prepared under the historical cost convention, including the revaluation of certain assets, are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards issued by the Malaysian Accounting Standards Board in Malaysia so as to give a true and fair view of:-
 - i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and the Company;
 - ii) the state of affairs of the Group and the Company at 31 January 2001 and of the results of the operations of the Group and the Company, statement of changes in equity of the Group and the Company and cash flows of the Group and the Company for the year ended on that date.
- b) the accounting and other records and registers required by the Companies Act, 1965 to be kept by the Company and its subsidiary companies have been properly kept in accordance with the provisions of the said Act.

We have considered the financial statements and the auditors report thereon of the subsidiary company of which we have not acted as auditors, as indicated in note 8 to the accounts.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations as required by us for these purposes.

Our auditors' report on the financial statements of the subsidiary companies were not subject to any qualification or included any comment made under sub-section (3) of Section 174 of the Act.

ROGERYUE, TAN & ASSOCIATES

AF: 0134
Public Accountants

ROGERYUE SAU YIN

Partner of Firm
838/3/02(J)

Kuala Lumpur
Date: 14 May 2001

	Notes	Group		Company	
		2001 RM	2000 RM	2001 RM	2000 RM
PROPERTY, PLANT AND EQUIPMENT	2&4	46,100,282	39,297,248	10,492,639	10,166,134
LAND FOR DEVELOPMENT	2&5	115,691,036	-	-	-
INVESTMENT PROPERTIES	2&7	57,388,072	57,911,992	57,388,072	57,911,992
INVESTMENT IN SUBSIDIARY COMPANIES	8	-	-	11,485,333	11,485,333
INVESTMENT IN ASSOCIATED COMPANY	9	59,545,378	52,043,966	-	-
INVESTMENT IN UNQUOTED SHARES	2	10,000	10,000	10,000	10,000
		278,734,768	149,263,206	79,376,044	79,573,459
CURRENT ASSETS					
Development properties	2&6	50,908,182	-	-	-
Inventories	2	112,611	95,684	-	-
Properties	2	20,546,033	18,802,523	20,546,033	18,802,523
Trade receivables	2&10	131,116,006	111,052,269	97,694,245	86,466,029
Other receivables	11	2,512,827	23,184,260	2,199,894	4,025,333
Amount due from subsidiary companies	8	-	-	126,285,401	-
Deposits with licenced discount house		51,503,987	48,386,036	30,878,578	44,346,536
Deposits with licenced banks		3,780,572	25,806,364	1,280,572	25,806,364
Bank and cash balances		2,164,298	1,098,867	995,699	101,576
		262,644,516	228,426,003	279,880,422	179,548,361

The notes form an integral part of the accounts.

	Notes	Group		Company	
		2001 RM	2000 RM	2001 RM	2000 RM
CURRENT LIABILITIES					
Trade payables	12	196,099,790	159,925,567	75,755,978	82,482,011
Other payables		6,324,555	3,479,591	3,340,414	1,472,996
Hire purchase creditors - net	2&13	3,846,502	3,011,531	571,773	588,450
Amount due to subsidiary companies	8	-	-	-	6,182,530
Bank overdrafts	14	11,793,189	24,448,182	8,614,165	19,418,124
Bills payable	15	19,748,000	15,063,566	13,597,000	10,868,566
Term loans - secured	16	90,808	81,856	90,808	81,856
Taxation	17	10,287,269	12,062,919	7,250,983	6,968,440
Proposed dividends		4,699,910	7,222,438	4,699,910	7,222,438
		252,890,023	225,295,650	113,921,031	135,285,411
NET CURRENT ASSETS					
		9,754,493	3,130,353	165,959,391	44,262,950
		288,489,261	152,393,559	245,335,435	123,836,409
Financed by:					
SHARE CAPITAL	18	93,998,200	57,779,500	93,998,200	57,779,500
SHARE PREMIUM		413,754	10,780,061	413,754	10,780,061
CAPITAL RESERVES	19	4,416,398	3,816,396	3,416,396	3,416,396
UNAPPROPRIATED PROFITS	20	72,993,501	68,382,840	42,634,191	50,728,888
SHAREHOLDERS' EQUITY		171,821,853	140,758,797	140,462,541	122,704,845
DEFERRED TAXATION	2&23	4,382,000	5,332,000	257,000	257,000
HIRE PURCHASE CREDITORS - net	2&13	9,215,020	6,084,006	1,545,506	655,808
TERM LOANS - secured	16	112,492	218,756	112,492	218,756
UNSECURED BONDS	30	102,957,896	-	102,957,896	-
		288,489,261	152,393,559	245,335,435	123,836,409

The notes form an integral part of the accounts.

	Notes	Group		Company	
		2001 RM	2000 RM	2001 RM	2000 RM
REVENUE	3	422,881,535	328,565,126	302,033,746	272,897,555
COST OF SALES		(361,268,378)	(280,113,544)	(260,562,659)	(241,180,812)
RECOGNISED PROFIT		61,613,157	48,451,582	41,471,087	31,716,743
OTHER OPERATING INCOME		7,535,864	8,060,375	11,020,937	7,651,990
ADMINISTRATION EXPENSES		(11,213,299)	(13,087,674)	(7,817,741)	(8,147,224)
OTHER OPERATING EXPENSES		(2,675,660)	(2,159,042)	(2,123,222)	(1,964,555)
PROFIT FROM OPERATIONS		55,260,062	41,265,241	42,551,061	29,256,954
FINANCE COST		(5,674,293)	(2,837,226)	(4,477,870)	(2,416,287)
NET PROFIT FROM OPERATIONS		49,585,769	38,428,015	38,073,191	26,840,667
SHARES OF RESULTS IN ASSOCIATE		6,789,340	3,555,000	-	-
PROFIT ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND QUOTED INVESTMENT	22	742,673	4,536,041	196,461	1,509,310
NET PROFIT BEFORE TAXATION	21	57,117,782	46,519,056	38,269,652	28,349,977
TAXATION	17	(17,362,770)	(14,023,205)	(11,820,000)	(4,537,431)
NET PROFIT AFTER TAXATION		39,755,012	32,495,851	26,449,652	23,812,546
EARNINGS PER SHARE (sen)	25				
- Basic		42.41	35.06		
- Diluted		40.30	33.45		

The notes form an integral part of the accounts.

The Group	Share Capital RM	Non Distributable Share Premium RM	Capital Reserves RM	Distributable Unappropriated Profits RM	Total RM
Balance					
31 January 1999	56,928,000	10,417,033	3,416,396	46,707,227	117,468,656
Net profit for the year	-	-	-	32,495,851	32,495,851
Dividends	-	-	-	(10,420,238)	(10,420,238)
ESOS subscribed at premium	-	370,670	-	-	370,670
Amount transferred to capital reserve on bonus issue of a subsidiary	-	-	400,000	(400,000)	-
Incidental cost incurred in relation to share issue	-	(7,642)	-	-	(7,642)
Issue of shares	851,500	-	-	-	851,500
Balance					
31 January 2000	57,779,500	10,780,061	3,816,396	68,382,840	140,758,797
Net profit for the year	-	-	-	39,755,012	39,755,012
Dividends	-	-	-	(9,195,110)	(9,195,110)
ESOS subscribed at premium	-	489,270	-	-	489,270
Amount transferred to capital reserve on bonus issue of a subsidiary	-	-	600,002	(600,002)	-
Incidental cost incurred in relation to bonds and share issue	-	(956,616)	-	-	(956,616)
Issue of shares	970,500	-	-	-	970,500
Capitalised for the bonus issue	35,248,200	(9,898,961)	-	(25,349,239)	-
Balance					
31 January 2001	93,998,200	413,754	4,416,398	72,993,501	171,821,853

The notes form an integral part of the accounts.

	2001 RM	2000 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation	56,375,109	41,983,015
Profit on disposal of property, plant and equipment, investment properties and quoted investment	742,673	4,536,041
Net profit from operations	57,117,782	46,519,056
Adjustments for :		
Preliminary expenses written off	-	2,500
Pre-operation expenses written off	-	6,910
Depreciation	10,105,031	9,004,047
Profit on disposal of property, plant and equipment	(788,173)	(294,791)
Share of profit retained in associated company	(6,789,340)	(3,555,000)
Provision for diminution in value of properties	878,292	-
Bad debt written off	5,256	252,828
Loss/(profit) on disposal of investment properties	45,500	(1,423,450)
Provision for doubtful debts written back	(197,850)	-
Profit on disposal of quoted investment	-	(2,817,800)
Interest expenses	5,674,293	2,837,226
Interest income	(3,359,168)	(4,482,915)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	62,691,623	46,048,611
Increase in properties	(2,621,802)	(3,630,400)
Increase in associated company's account	(2,660,002)	(3,139,998)
Increase in inventories	(16,927)	(95,684)
Decrease/(increase) in receivables	798,220	(74,952,116)
Increase in payables	39,019,187	40,603,277
Increase in bills payable	4,684,434	14,216,358
Cash generated from operations	101,894,733	19,050,048
Taxation paid	(18,138,420)	(4,932,792)
Interest paid	(5,674,293)	(2,837,226)
Interest received	3,359,168	4,482,915
Net cash from operating activities	81,441,188	15,762,945
CASH FLOWS FROM INVESTING ACTIVITIES		
* Purchase of property, plant and equipment	(9,142,082)	(25,941,750)
Purchase of investment properties	(1,080)	(28,992)
Purchase of land for development	(158,203,001)	-
Development expenditure incurred	(8,396,217)	-
Pre-operating expenses	-	(2,508)
Proceeds from disposal of property, plant and equipment	1,138,017	25,944,619
Proceeds from disposal of investment	-	6,457,800
Proceeds from disposal of investment properties	479,500	2,228,410
Acquisition of subsidiary net of cash acquired	-	2
Acquisition of subsidiary not consolidated	-	(2)
Net cash (used in)/from investing activities	(174,124,863)	8,657,579

The notes form an integral part of the accounts.

	2001 RM	2000 RM
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issue of shares	503,154	1,214,528
Proceeds from bonds	102,957,896	-
Dividends paid	(11,717,638)	(10,313,800)
Repayment of term loans	(97,312)	(76,865)
Repayment of hire purchase creditors	(4,149,842)	(4,079,088)
Net cash from/(used in) financing activities	87,496,258	(13,255,225)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(5,187,417)	11,165,299
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	50,843,085	39,677,786
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	45,655,668	50,843,085
BREAKDOWN OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Note 2)		
Bank and cash balances	2,164,298	1,098,867
Bank overdrafts	(11,793,189)	(24,448,182)
Deposits with licenced discount house	51,503,987	48,386,036
Deposits with licenced banks	3,780,572	25,806,364
	45,655,668	50,843,085

* Analysis of Purchase of property, plant and equipment

During the year, the Group acquired property, plant and equipment with an aggregate costs of RM17,257,909 (2000 - RM33,797,633) of which RM8,115,827 (2000 - RM7,855,883) was acquired by means of hire purchase arrangements. Cash payment of RM9,142,082 (2000 - RM25,941,750) were made to purchase property, plant and equipment.

The fair value of assets and liabilities assumed from the acquisition of WCT Machinery Sdn. Bhd. were as follows:

	2001 RM	2000 RM
Preliminary expenses	-	2,500
Pre-operating expenses	-	4,402
Other creditors	-	(6,900)
Total purchase price	-	2
Less: cash of WCT Machinery Sdn. Bhd.	-	-
Cash flow on acquisition net of cash acquired	-	2

The notes form an integral part of the accounts.

The Company	Share Capital RM	Non Distributable Share Premium RM	Capital Reserves RM	Distributable Unappropriated Profits RM	Total RM
Balance					
31 January 1999	56,928,000	10,417,033	3,416,396	37,336,580	108,098,009
Net profit for the year	-	-	-	23,812,546	23,812,546
Dividends	-	-	-	(10,420,238)	(10,420,238)
ESOS subscribed at premium	-	370,670	-	-	370,670
Incidental cost incurred in relation to share issue	-	(7,642)	-	-	(7,642)
Issue of shares	851,500	-	-	-	851,500
Balance					
31 January 2000	57,779,500	10,780,061	3,416,396	50,728,888	122,704,845
Net profit for the year	-	-	-	26,449,652	26,449,652
Dividends	-	-	-	(9,195,110)	(9,195,110)
ESOS subscribed at premium	-	489,270	-	-	489,270
Incidental cost incurred in relation to bonds and share issue	-	(956,616)	-	-	(956,616)
Issue of shares	970,500	-	-	-	970,500
Capitalised of the bonus issue	35,248,200	(9,898,961)	-	(25,349,239)	-
Balance					
31 January 2001	93,998,200	413,754	3,416,396	42,634,191	140,462,541

The notes form an integral part of the accounts.

	2001 RM	2000 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation	38,073,191	26,840,667
Profit on disposal of property, plant and equipment	241,961	85,860
(Loss)/profit on disposal of investment properties	(45,500)	1,423,450
Net profit from operations	38,269,652	28,349,977
Adjustments for:		
Provision for diminution in value of properties	878,292	-
Provision for doubtful debts written back	(197,850)	-
Bad debts written off	5,256	252,828
Depreciation	2,117,966	1,711,727
Profit on disposal of property, plant and equipment	(241,961)	(85,860)
Loss/(profit) on disposal of investment properties	45,500	(1,423,450)
Interest expenses	4,477,870	2,416,287
Interest income	(8,023,361)	(4,440,839)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	37,331,364	26,780,670
Increase in receivables	(9,210,183)	(33,345,250)
Increase in properties	(2,621,802)	(3,630,400)
(Decrease)/increase in payables	(4,858,615)	18,408,675
Increase in bills payable	2,728,434	10,664,358
Increase in subsidiary companies' accounts	(132,467,931)	(15,146,587)
Cash (depleted in)/generated from operations	(109,098,733)	3,731,466
Taxation paid	(11,537,457)	(2,424,086)
Dividend	(11,717,638)	(10,313,800)
Interest paid	(4,477,870)	(2,416,287)
Interest received	8,023,361	4,440,839
Net cash used in operating activities	(128,808,337)	(6,981,868)
CASH FLOWS FROM INVESTING ACTIVITIES		
* Purchase of property, plant and equipment	(827,958)	(346,697)
Proceeds from disposal of property, plant and equipment	345,263	24,714,414
Purchase of investment properties	(1,080)	(28,992)
Purchase of subsidiary companies	-	(10,000,000)
Proceeds from disposal of investment properties	479,500	2,228,410
Net cash (used in)/from investing activities	(4,275)	16,567,135

The notes form an integral part of the accounts.

	2001 RM	2000 RM
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issue of shares	503,154	1,214,528
Repayment of term loans	(97,312)	(76,865)
Repayment of hire purchase creditors	(846,794)	(1,849,295)
Proceeds from bonds	102,957,896	-
Net cash from/(used in) financing activities	102,516,944	(711,632)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(26,295,668)	8,873,635
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	50,836,352	41,962,717
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24,540,684	50,836,352
BREAKDOWN OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Note 2)		
Bank and cash balances	995,699	101,576
Bank overdrafts	(8,614,165)	(19,418,124)
Deposits with licenced discount house	30,878,578	44,346,536
Deposits with licenced banks	1,280,572	25,806,364
	24,540,684	50,836,352

* Analysis of Purchase of property, plant and equipment

During the year, the company acquired property, plant and equipment with an aggregate costs of RM2,547,772 (2000 - RM1,228,472) of which RM1,719,814 (2000 - RM881,775) was acquired by means of hire purchase arrangements. Cash payment of RM827,958 (2000 - RM346,697) were made to purchase property, plant and equipment.

The notes form an integral part of the accounts.

1. GENERAL INFORMATION

The company is principally engaged in civil engineering, specialising in earthworks, highway construction, related infrastructure works, housing development and also in investment and trading of properties. The principal activities of the subsidiary companies and associated company are set out in notes 8 and 9 in the notes to the accounts.

The number of employees of the group as at year end is 478 (2000 - 461).

The number of employees of the company as at year end is 50 (2000 - 48).

The company is a public limited liability company incorporated in Malaysia and listed on the Main Board of the Kuala Lumpur Stock Exchange.

The address of the registered office of the company is as follows:-

12 Jalan Majistret U1/26
Seksyen U1
Lot 44, Hicom Glenmarie Industrial Park
40150 Shah Alam
Selangor Darul Ehsan

2. ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements of the Group and the Company have been prepared under the historical cost convention (as modified for the revaluation of land and investment properties) unless otherwise indicated in this summary of significant accounting policies.

The financial statements comply with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia in all material respect.

(b) Basis of Consolidation

The consolidated accounts include the accounts of the Company and all its subsidiary companies made up to 31 January 2001. The result of the subsidiary companies acquired or disposed during the year are included in the consolidated income statement from the date of acquisition or up to the date of disposal respectively.

All inter-company transactions and balances are eliminated on consolidation and the consolidated accounts reflect external transactions only. Where necessary, accounting policies for subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

At the date of acquisition, the fair value of the net assets of the subsidiary companies are determined and these values are incorporated in the consolidated financial statement. Any difference between the cost of investments and the net assets of the subsidiary companies is retained in the consolidated balance sheet as goodwill and reserve arising on consolidation.

2. ACCOUNTING POLICIES (Cont'd)

(c) Investments

Investments in subsidiary companies, associated company and long term investments are stated at cost less provision for diminution in value, if any, which is considered to be permanent whilst short term investments are stated at the lower of cost and net realisable value. On disposal of an investment, the difference between the net disposal proceeds and its carrying amount is charged or credited to the income statements.

(d) Associated Company

An associated company is defined as a company, not being a subsidiary, in which the Group has a long term interest of not less than 20% of the equity and in whose financial and operating policy decisions, the Group exercises significant influence.

The Group's share of the results of associated company is included in the consolidated income statement. The Group's interest in associated company is stated at cost plus adjustments to reflect changes in the Group's share of the net assets of the associated company.

(e) Amortisation/Depreciation of Property, Plant and Equipment

With the exception of the freehold land which is stated at valuation, all property, plant and equipment are stated at cost less aggregate depreciation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition and location for its intended use.

Expenditure incurred after the assets have been put into operation, such as repairs and maintenance costs, is normally charged to the income statement in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the asset, the expenditure is capitalised as an additional cost of the asset. When assets are sold or retired, their cost and aggregate depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the income statement.

Freehold land and long leasehold land with unexpired lease tenure of 50 years or more are not depreciated.

Other property, plant and equipment are amortised/depreciated on a straight line basis based on the estimated useful lives of the fixed assets at the following annual rates:-

Short leasehold land	over the period of lease not exceeding 50 years
Freehold building	2%
Plant and machinery	10%-20%
Motor vehicles	15%-20%
Office equipment	15%-20%
Furniture and fittings	15%-20%
Renovation	15%

(f) Investment Properties

Investment properties are landed properties which are not intended for resale in the ordinary course of business. The investment properties are to be revalued at least once in every 5 years by directors based on the opinion of independent professional valuers. Any surplus or deficit arising from the revaluation exercise are to be dealt with in the Capital Reserves Account or the income statement where applicable.

2. ACCOUNTING POLICIES (Cont'd)

(g) Properties

Properties held for trading purposes are classified as current assets and are stated at the lower of cost and net realisable value.

(h) Land for Development

Land held for development whereby no significant development work has been undertaken is classified as land and development expenditure in non-current assets.

Land for development are stated at cost. Cost includes cost of land and related development expenditure.

(i) Development Properties

Land and development expenditure whereby significant development work has been undertaken and is expected to be completed within the normal operating cycle are classified as development properties.

Development properties are stated at cost plus attributable profits less foreseeable losses and progress billings. Cost includes cost of land, all direct building cost and other related development expenditure and administrative overheads relating to the projects.

(j) Trade Receivables

Trade receivables are carried at anticipated realisable value.

Bad debts are written off in the year in which they are considered irrecoverable and provision is made for specific doubtful debts, if any.

(k) Inventories

Inventories are valued at the lower of cost (determined on the weighted average basis or first-in first-out basis) and net realisable value. Cost comprises the cost of purchase plus the cost of bringing the stocks to its present condition.

Net realisable value is the estimate of the selling price in the ordinary course of business less the cost of completion and selling expenses.

(l) Leased and Hired Assets

Assets acquired under finance leases and hire purchase arrangements which in substance transfer substantially all the risk and benefits of ownership of the assets to the company are capitalised as property, plant and equipment. The property, plant and equipment and corresponding lease obligations are recorded at the lower of the net present value of minimum lease payments or the fair value of the lease assets at the beginning of the respective lease terms. Leases and hire assets which do not meet such criteria are classified as operating lease.

Finance charges of finance leases and hire purchase are charged to the income statement over the period of hire purchase or lease.

Rental payable under operating leases are accounted for in the income statement account on a straight line basis over the period of the respective lease.

The depreciation policy on these assets is similar to that of the Group as set out in note 2(e).

2. ACCOUNTING POLICIES (Cont'd)

(m) Dividends

Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained earnings in the period in which they are declared.

(n) Foreign Currency Translation

Foreign currency assets and liabilities are translated to Ringgit Malaysia at the rates of exchange ruling at the balance sheet date and profit and loss items, where applicable, are converted at rates ruling on the transaction dates. Differences on exchange are taken to the income statement.

(o) Capitalisation of Borrowing Cost

Interest cost incurred on specific and identifiable borrowings to acquire land held for development and on the construction of development properties which require a period of time to get them ready for its intended use or sale are capitalised and included as part of the cost of the related assets.

Capitalisation of borrowing cost will cease when assets are ready for their intended use.

(p) Deferred Taxation

Deferred taxation is provided using the liability method based on the timing differences between taxable and accounting income except where it is thought reasonably probable that the tax effects of such deferral will continue in the foreseeable future.

Deferred tax benefits are recognised only if there is a reasonable expectation of their realisation.

(q) Revenue Recognition

The revenue of the Group and the Company are recognised in the following manner:-

- (i) Contract revenue is recognised by reference to the stage of physical completion of the contract. Contract revenue and costs are recognised as revenue and expense in the income statement in the accounting period in which the work is performed. The contract revenue is matched with the contract costs incurred in reaching the stage of completion, resulting in the reporting of revenue, expenses and profit which can be attributed to the proportion of work completed. Profits expected to be realised on construction contracts are based on estimates of total revenue and costs at completion. These estimates are reviewed and revised periodically throughout the lives of the construction contracts and adjustment to the profits resulting from such revisions are recorded in the accounting period in which the revisions are made. If estimates of costs to complete the construction contracts indicate losses, provision is made for the full losses anticipated in the period in which they are identified.
- (ii) Sales of properties is recognised when the ownership of land title is transferred.
- (iii) Revenue on sales of goods and hiring of machineries are recognised on gross billings less credit notes and discounts.
- (iv) Interest income and rental income are recognised on an accrual basis.

2. ACCOUNTING POLICIES (Cont'd)

(q) Revenue Recognition (Cont'd)

- (v) The company recognises property development revenues using the percentage of completion method, based primarily on development costs incurred to date compared with total estimated development costs.

Prudent estimate of the profits attributable to work performed are recognised once the outcome of the property development can be assessed with reasonable certainty. Where property development outcome is not reliably determined, profits are not recognised but revenues are recognised to the extent of the recoverable costs. In all cases, anticipated losses are provided in full.

Profits expected to be realised on property development are based on estimates of total revenues and cost at completion. These estimates are reviewed and revised periodically throughout the lives of the property development and adjustments to profits resulting from such revisions are recorded in the accounting period in which the revisions are made. If estimates of costs to complete property development indicate losses, provision is made for the full losses anticipated in the period in which they are identified.

(r) Construction Contract

Construction work in progress which is stated at cost plus attributable profits less anticipated losses and progress billing is shown as amount due from customer under trade receivables.

The excess of progress billings over cost plus attributable profits less anticipated losses is shown as amount due to customers under trade payables.

Costs consist of direct materials, direct labour, direct overhead, sub-contract charges and attributable expenses.

(s) Cash and Cash Equivalents

Cash and cash equivalents are cash on hand, balances with banks and highly liquid investment which original maturities of three months or less. For the purpose of cash flow statement cash and cash equivalents are presented net of bank overdraft.

3. REVENUE

Revenue of the Group represents recognised contract revenue, billings for sale of construction materials, hiring of machineries, repair of motor vehicles, sale of properties, interest income and rental income.

Revenue of the Company represents recognised contract revenue and sale of properties, interest income and rental income.

4. PROPERTY, PLANT AND EQUIPMENT

The Group	Balance 1.2.2000	Additions	Disposals	Balance 31.1.2001
At cost/valuation *	RM	RM	RM	RM
Freehold land *	1,806,221	4,587,640	-	6,393,861
Freehold building	5,193,779	-	-	5,193,779
Plant and machinery	38,644,646	7,543,914	88,263	46,100,297
Motor vehicles	11,176,687	4,788,162	1,674,885	14,289,964
Office equipment	1,582,685	317,177	1,398	1,898,464
Furniture and fittings	444,279	8,016	-	452,295
Renovation	73,890	13,000	26,080	60,810
	58,922,187	17,257,909	1,790,626	74,389,470
Accumulated Amortisation/ Depreciation	Balance 1.2.2000	Charge	Disposals	Balance 31.1.2001
Freehold land	-	-	-	-
Freehold building	415,504	103,876	-	519,380
Plant and machinery	10,225,959	7,096,992	20,557	17,302,394
Motor vehicles	7,700,616	2,594,313	1,400,455	8,894,474
Office equipment	982,814	242,285	210	1,224,889
Furniture and fittings	269,008	58,444	-	327,452
Renovation	31,038	9,121	19,560	20,599
	19,624,939	10,105,031	1,440,782	28,289,188
Net Book Value	Balance 1.2.2000			Balance 31.1.2001
	RM			RM
Freehold land	1,806,221			6,393,861
Freehold building	4,778,275			4,674,399
Plant and machinery	28,418,687			28,797,903
Motor vehicles	3,476,071			5,395,490
Office equipment	599,871			673,575
Furniture and fittings	175,271			124,843
Renovation	42,852			40,211
	39,297,248			46,100,282

4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The Company	<i>Balance 1.2.2000</i>	<i>Additions</i>	<i>Disposals</i>	<i>Balance 31.1.2001</i>
At cost/valuation *	RM	RM	RM	RM
Freehold land *	1,806,221	-	-	1,806,221
Freehold building	5,193,779	-	-	5,193,779
Plant and machinery	5,604,528	3,750	-	5,608,278
Motor vehicles	2,858,970	2,264,110	502,140	4,620,940
Office equipment	522,182	259,694	1,398	780,478
Furniture and fittings	369,137	7,218	-	376,355
Renovation	47,810	13,000	-	60,810
	16,402,627	2,547,772	503,538	18,446,861
Accumulated Amortisation/ Depreciation	Balance 1.2.2000	Charge	Disposals	Balance 31.1.2001
Freehold land	-	-	-	-
Freehold building	415,504	103,876	-	519,380
Plant and machinery	3,755,046	984,118	-	4,739,164
Motor vehicles	1,564,116	859,568	400,027	2,023,657
Office equipment	285,408	107,677	210	392,875
Furniture and fittings	204,941	53,606	-	258,547
Renovation	11,478	9,121	-	20,599
	6,236,493	2,117,966	400,237	7,954,222
Net Book Value	Balance 1.2.2000			Balance 31.1.2001
	RM			RM
Freehold land	1,806,221			1,806,221
Freehold building	4,778,275			4,674,399
Plant and machinery	1,849,482			869,114
Motor vehicles	1,294,854			2,597,283
Office equipment	236,774			387,603
Furniture and fittings	164,196			117,808
Renovation	36,332			40,211
	10,166,134			10,492,639

* In 1999, the freehold land was revalued by independent professional valuers using the open market valuation basis. The carrying amount of the freehold land should it be stated at cost would be RM1,984,055 (2000 - RM1,984,055).
The net book value of assets under hire purchase in property, plant and equipment in the Group and the Company amounted to RM13,878,250 (2000 - RM12,891,819) and RM2,445,298 (2000 - RM1,963,962) respectively.

5. LAND FOR DEVELOPMENT

	<i>Group</i>	
	<i>2001</i>	<i>2000</i>
	<i>RM</i>	<i>RM</i>
At cost:		
Freehold land	158,203,001	-
Development expenditure	8,396,217	-
	166,599,218	-
Transferred to development properties	(50,908,182)	-
	115,691,036	-

Interest amounting to RM3,649,388 was capitalised during the year. The entire cost of properties and development expenditure were pledged to the bank for facilities granted.

6. DEVELOPMENT PROPERTIES

	<i>Group</i>	
	<i>2001</i>	<i>2000</i>
	<i>RM</i>	<i>RM</i>
At cost		
Freehold land	47,460,900	-
Development expenditure	3,447,282	-
	50,908,182	-

7. INVESTMENT PROPERTIES

	<i>Group and Company</i>	
	<i>2001</i>	<i>2000</i>
	<i>RM</i>	<i>RM</i>
Investment properties - at valuation	57,388,072	57,911,992

Investment properties are stated at directors' valuation based on valuation by independent professional valuers using comparison method in the financial year ended 31 January 1999.

8. INVESTMENT IN SUBSIDIARY COMPANIES

Details of the subsidiary companies which are incorporated in Malaysia are as follows:-

Name of Company	Equity shareholding		Principal Activities
	2001	2000	
	%	%	
a) Subsidiaries held directly by Company			
WCT Construction Sdn. Bhd.	100	100	Civil engineering and construction works
WCT Property And Development Sdn. Bhd.	100	100	Investment holding
WCT Realty Sdn. Bhd.	100	100	Investment holding
WCT Products Sdn. Bhd.	100	100	Trading of building materials
Bulatan Gemilang Sdn. Bhd.	100	100	Investment holding
WCT Machinery Sdn. Bhd.	100	100	Hiring of machineries and repair of vehicles
b) Subsidiary held indirectly via WCT Realty Sdn. Bhd.			
Gemilang Waras Sdn. Bhd. *	100	100	Property development

* Messrs. Roger Yue, Tan & Associates did not act as auditors for the above company.

The investment in subsidiary companies are made up as follows:-

	Company	
	2001	2000
	RM	RM
Shares at cost	10,837,832	10,837,832
Revaluation surplus	647,501	647,501
	11,485,333	11,485,333

The Company revalued the investment in WCT Construction Sdn. Bhd. based on its net tangible assets as at 31 July 1994.

Amount due (to)/from subsidiary companies:-

	Company	
	2001	2000
	RM	RM
Trade	(128,155,429)	(92,077,624)
Advances	254,440,830	85,895,094
Net	126,285,401	(6,182,530)

Included in the advances to a subsidiary company is advances amounting to RM158,168,915 (2000 - RM15,000,000) which bear interest at rates ranging from 5% to 12% per annum (2000 - 12%). The remaining balance is interest free and has no fixed term of repayment.

9. INVESTMENT IN ASSOCIATED COMPANY

This represents investment of 50% (2000 - 50%) equity interest in Labur Bina Sdn. Bhd., (shares held by its wholly owned subsidiary company, WCT Realty Sdn. Bhd.) a company incorporated in Malaysia. The associated company is principally involved in property development.

The investment is made up as follows:

	Group	
	2001 RM	2000 RM
Shares at cost	2,500,000	2,500,000
Shareholder's advances	41,600,000	41,600,000
	44,100,000	44,100,000
Amount due from associated company	9,214,000	6,553,998
Share in results of associated company	6,231,378	1,389,968
	59,545,378	52,043,966

The shareholder's advances represent the Group's share of the development expenditure incurred by the associated company.

Included in the shareholder's advances is advances amounting to RM15,000,000 (2000 - RM15,000,000) which bears interest at 12% per annum. The remaining balance represents Share Application Monies which is interest free and has no fixed term of repayment.

The following amounts represent the Group's share of the assets, liabilities, revenue and expenses of the associated company:

	Group	
	2001 RM	2000 RM
Property, plant and equipment	334,308	377,201
Investment in subsidiary	2,754	1,631
Deferred assets	750,000	-
Current assets	123,091,445	136,814,475
Current liabilities	(48,146,992)	(49,312,001)
Long term liabilities	(16,486,137)	(35,837,340)
Net assets	59,545,378	52,043,966
Goodwill	-	-
Premium paid	-	-
Revenue	91,155,585	65,645,500
Profit before taxation	6,789,340	3,555,000
Taxation	(1,950,000)	(600,000)
Profit after taxation	4,839,340	2,955,000

10. TRADE RECEIVABLES

	<i>Group</i>		<i>Company</i>	
	<i>2001</i>	<i>2000</i>	<i>2001</i>	<i>2000</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Amount due from customers	16,922,899	-	11,298,133	128,144
Retention sum	35,916,344	19,465,990	24,713,284	16,335,511
Others	78,293,124	91,800,490	61,699,189	70,216,585
	131,132,367	111,266,480	97,710,606	86,680,240
Provision for doubtful debts	(16,361)	(214,211)	(16,361)	(214,211)
	131,116,006	111,052,269	97,694,245	86,466,029

The following tabulation shows the elements included in amount due from customers:-

	<i>Group</i>		<i>Company</i>	
	<i>2001</i>	<i>2000</i>	<i>2001</i>	<i>2000</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Costs incurred	420,558,307	313,224,926	317,565,777	280,989,292
Recognised profits less anticipated losses	77,555,547	64,151,331	18,777,052	38,095,084
	498,113,854	377,376,257	336,342,829	319,084,376
Progress billings	(499,628,080)	(377,564,397)	(333,025,763)	(318,956,232)
	(1,514,226)	(188,140)	3,317,066	128,144
Analysed on:				
Amount due from customers	16,922,899	-	11,298,133	128,144
Amount due to customers (Note 12)	(18,437,125)	(188,140)	(7,981,067)	-
	(1,514,226)	(188,140)	3,317,066	128,144
Advance received on contracts	4,022,205	6,147,073	4,022,205	6,147,073
Retention	35,916,344	19,465,990	24,713,284	16,335,511

11. OTHER RECEIVABLES

Included in other receivables of 2000 were:-

- deposit paid to acquire certain properties amounting to RM14,034,218; and
- payment of RM4,587,640 to acquire certain properties and the titles were still pending transfer to the Group.

Both the transactions had since been completed and hence there were no such amounts recorded in 2001.

12. TRADE PAYABLES

	<i>Group</i>		<i>Company</i>	
	<i>2001</i>	<i>2000</i>	<i>2001</i>	<i>2000</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Amount due to customers (Note 10)	18,437,125	188,140	7,981,067	-
Others	177,662,665	159,737,427	67,774,911	82,482,011
	196,099,790	159,925,567	75,755,978	82,482,011

13. HIRE PURCHASE CREDITORS - NET

	<i>Group</i>		<i>Company</i>	
	<i>2001</i>	<i>2000</i>	<i>2001</i>	<i>2000</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Portion repayable not later than 1 year	3,846,502	3,011,531	571,773	588,450
- later than 1 year and not later than 5 years	9,215,020	6,084,006	1,545,506	655,808
- later than 5 years	-	-	-	-
	13,061,522	9,095,537	2,117,279	1,244,258

14. BANK OVERDRAFTS

	<i>Group</i>		<i>Company</i>	
	<i>2001</i>	<i>2000</i>	<i>2001</i>	<i>2000</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Bank overdrafts				
- secured	9,045,722	16,047,189	5,866,698	11,017,131
- unsecured	2,747,467	8,400,993	2,747,467	8,400,993
	11,793,189	24,448,182	8,614,165	19,418,124

The secured bank overdraft of the Company is secured against the Company's investment properties with carrying value of RM7,787,072 and a negative pledge over the Company's assets. The secured bank overdraft of the subsidiary companies are secured by a negative pledge and corporate guarantee by the parent company. The bank overdrafts bear interest rates ranging from 1.5% to 1.75% (2000 - 1.25% to 1.75%) above the banks' base lending rate.

15. BILLS PAYABLE - secured

The bills payable of the Company is secured by a negative pledge over the Company's assets and the bills payable of the subsidiary companies are secured by a negative pledge over the subsidiary company's assets and a corporate guarantee by the parent company.

16. TERM LOANS - secured

	<i>Group and Company</i>	
	<i>2001</i>	<i>2000</i>
	<i>RM</i>	<i>RM</i>
Portion repayable		
- within next 12 months	90,808	81,856
- after next 12 months	112,492	218,756
	203,300	300,612

The term loans are secured against the Company's properties with carrying value of RM297,000.

The term loans are repayable in equal monthly instalments and interest are charged at rates ranging from 1.25% to 1.5% per annum above the bank's base lending rate.

17. TAXATION

	<i>Notes</i>	<i>Group</i>		<i>Company</i>	
		<i>2001</i>	<i>2000</i>	<i>2001</i>	<i>2000</i>
		<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Provision for current year		(16,800,000)	(11,605,000)	(11,820,000)	(8,000,000)
Share of taxation of associated company		(1,950,000)	(600,000)	-	-
Overprovision/(Underprovision) in prior year		437,230	(360,470)	-	(144,396)
Underprovision in real property gains tax in prior year		-	(153,035)	-	(153,035)
Transfer (to)/from deferred taxation	23	950,000	(1,304,700)	-	3,760,000
		(17,362,770)	(14,023,205)	(11,820,000)	(4,537,431)

At Group and Company level, the current year's provision for taxation in relation to the accounting profit is higher than the statutory income tax rate due to certain expenses not allowable for tax purposes.

18. SHARE CAPITAL

	<i>Group and Company</i>	
	<i>2001</i>	<i>2000</i>
	<i>RM</i>	<i>RM</i>
Authorised:		
500,000,000 shares of RM1 each	500,000,000	100,000,000
Issued and fully paid:		
93,998,200 ordinary shares of RM1 each	93,998,200	57,779,500

During the year, the authorised share capital of the company was increased from 100,000,000 to 500,000,000 shares of RM1 each by the creation of 400,000,000 shares of RM1 each.

18. SHARE CAPITAL (Cont'd)

In addition, the paid-up share capital of the Company was increased as follows:-

- a) issue of 851,500 new ordinary shares of RM1.00 each at RM1.36 per share made under the Employees' Share Option Scheme;
- b) issue of 116,000 new ordinary shares of RM1.00 each at RM2.57 per share made under the Employees' Share Option Scheme.
- c) issue of 2,000 new ordinary shares of RM1.00 each at RM1.00 per share made under the Employees' Share Option Scheme.
- d) issue of 1,000 new ordinary shares of RM1.00 each at RM1.61 per share made under the Employees' Share Option Scheme.
- e) Bonus issue of 35,248,200 new ordinary shares of RM1.00 each on the basis of 3 new ordinary shares for every 5 existing ordinary shares held.

19. CAPITAL RESERVES - NON-DISTRIBUTABLE

	<i>Group</i>		<i>Company</i>	
	<i>2001</i> <i>RM</i>	<i>2000</i> <i>RM</i>	<i>2001</i> <i>RM</i>	<i>2000</i> <i>RM</i>
Revaluation surplus/(deficit) arising from the revaluation of investment properties				
- 1995	6,145,082	6,145,082	6,145,082	6,145,082
- 2000	(712,187)	(712,187)	(712,187)	(712,187)
Capitalisation for bonus issue	5,432,895	5,432,895	5,432,895	5,432,895
Revaluation surplus arising from the revaluation of investment in a subsidiary company	(2,016,499)	(2,016,499)	(2,664,000)	(2,664,000)
Transfer from income statement on bonus issue of subsidiary companies	-	-	647,501	647,501
	1,000,002	400,000	-	-
	4,416,398	3,816,396	3,416,396	3,416,396

20. SECTION 108 TAX CREDIT

The entire unappropriated profits of the Company is available for distribution by way of dividends without incurring additional tax liability, based on the Company's estimated tax credit at 31 January 2001, after taking into account the current year's provision for taxation payable.

21. NET PROFIT BEFORE TAXATION

These are stated after charging/(crediting):-

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
After charging:-				
Directors' remuneration	2,241,200	1,950,800	2,103,600	1,849,600
Directors' fees	126,500	115,000	88,833	81,500
Audit fee				
- current	36,570	49,600	13,000	20,000
- special	32,360	-	12,000	-
Hiring of machineries	16,484,952	1,037,132	91,179	66,398
Bank overdraft interest	1,591,076	1,580,535	1,437,573	1,565,603
Term loan interest	21,327	32,647	21,327	32,647
Hire purchase interest	1,143,910	924,288	235,686	348,021
Factoring interest	-	83,475	-	-
BA interest	393,638	98,062	258,942	464,904
Interest on short term revolving credit	524,342	-	524,342	-
Interest on bonds	2,000,000	-	2,000,000	-
Other interest	-	118,219	-	5,112
Amortisation/depreciation	10,105,031	9,004,047	2,117,966	1,711,727
Lease rental of plant and machinery	-	87,720	-	87,720
Rental of premises	201,052	146,234	8,160	9,350
Pre-operation expenses written off	-	2,500	-	-
Preliminary expenses written off	21,600	4,402	-	-
Bad debts written off	5,256	252,828	5,256	252,828
Rental of equipment	147,437	-	-	-
Loss on disposal of investment properties	45,500	-	-	-
Write down of properties	878,292	-	-	-
After crediting:-				
Provision for doubtful debts written back	(197,850)	-	(197,850)	-
Interest income from subsidiary company	-	-	(6,738,989)	(1,800,000)
Rental income from investment properties	(1,494,607)	(1,761,777)	(1,494,607)	(1,773,677)
Interest income	(1,559,168)	(2,682,915)	(1,284,372)	(2,640,839)
Gain on foreign exchange				
- realised	(1,333)	-	(1,333)	-
Profit on disposal of property, plant and equipment	(788,173)	(294,791)	(241,961)	(85,860)
Interest income from associated company	(1,800,000)	(1,800,000)	-	-

22. EXCEPTIONAL ITEMS

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Loss on disposal of investment property	(45,500)	-	(45,500)	-
Profit on disposal of property, plant and equipment	788,173	294,791	241,961	85,860
Profit on disposal of quoted investment	-	2,817,800	-	-
Profit on compulsory acquisition of land by government	-	1,423,450	-	1,423,450
	742,673	4,536,041	196,461	1,509,310

23. DEFERRED TAXATION

	<i>Group</i>		<i>Company</i>	
	<i>2001</i>	<i>2000</i>	<i>2001</i>	<i>2000</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Balance as at 1 February	5,332,000	4,027,300	257,000	4,017,000
Transfer (from)/to current year's income statement	(950,000)	1,304,700	-	(3,760,000)
Balance as at 31 January	4,382,000	5,332,000	257,000	257,000

The deferred tax effects of revalued fixed assets are not disclosed because the Group has no intention to dispose off these assets in the foreseeable future. Timing difference not accounted for at the year end amounted to RM1,000,000 (2000 - Nil).

24. DIVIDENDS

	<i>Company</i>	
	<i>2001</i>	<i>2000</i>
	<i>RM</i>	<i>RM</i>
An interim dividend of 7.5% tax exempted (2000 - 7.5% less 28% tax)	4,405,950	3,116,448
Additional final and special dividends for the year ended 31 January 2000 paid on 28 June 2000 in respect of ordinary shares issued after year end	89,250	81,352
Proposed final dividend of 2.5% tax exempted; (2000 - 2.5% tax exempted)	2,349,955	1,444,488
Proposed special dividend of 2.5% tax exempted; (2000 - 10% tax exempted)	2,349,955	5,777,950
	9,195,110	10,420,238

The proposed final and special dividends are subject to the approval of members at the forthcoming Annual General Meeting. On the assumption that the proposed final and special dividends are approved by the members, dividends per share during the year is 12.5 sen (2000 - 20 sen).

25. EARNINGS PER SHARE

The basic earnings per share has been calculated based on the Group profit after taxation of RM39,755,012 (2000 - RM32,495,851) and on the weighted average number of ordinary shares of the Company of 93,729,563 (2000 - 92,676,127, adjusted for bonus issue in 2001).

The diluted earnings per ordinary share is calculated by dividing the Group's earnings of RM39,755,012 (2000 - RM32,495,851) by the enlarged weighted average number of shares issued and issuable of 98,647,206 (2000 - 97,149,200, adjusted for bonus issue in 2001). The enlarged weighted average number of ordinary shares issued and issuable for 2001 has been arrived at based on the assumption that 4,917,643 of the shares issuable on the exercise of the share options, were issued on 31 January 2001.

26. RELATED PARTY TRANSACTIONS

During the financial year, the significant related party transactions are as follows:-

	<i>Group and Company 2001 RM</i>
Contract revenue from MTD Construction Sdn. Bhd., a related company of the company's substantial shareholder - MTD Equity Sdn. Bhd.	27,079,577
Contract revenue from Labur Bina Sdn. Bhd., the associated company	46,232,955

The directors of the Company are of the opinion that the above transactions have been entered in the normal course of business and have been established under terms that are no less favourable than those arranged with independent third parties.

27. CAPITAL COMMITMENTS

Capital commitments not provided for in the accounts are as follows:-

	<i>Group</i>		<i>Company</i>	
	<i>2001 RM</i>	<i>2000 RM</i>	<i>2001 RM</i>	<i>2000 RM</i>
Approved and contracted for	1,725,000	126,307,958	-	-
Approved and not contracted for	-	-	-	-

28. CONTINGENT LIABILITIES

	<i>Group and Company</i>	
	<i>2001 RM</i>	<i>2000 RM</i>
Unsecured guarantees given to third parties	107,233,000	223,906,000

29. SEGMENT INFORMATION

<i>2001</i>		<i>Profit Before Taxation RM</i>	<i>Assets Employed RM</i>
<i>Group</i>	<i>Turnover RM</i>		
By Activities			
Civil engineering and road construction works	415,237,182	44,942,900	176,208,039
Trading	4,629,583	1,428,519	1,125,351
Property and investment holding	3,014,770	600,435	249,216,457
Interest income	-	1,556,588	55,284,059
Investment in associated company	-	8,589,340	59,545,378
	422,881,535	57,117,782	541,379,284

29. SEGMENT INFORMATION (Cont'd)

2000			
Group	Turnover RM	Profit Before Taxation RM	Assets Employed RM
By Activities			
Civil engineering and road construction works	290,208,900	34,081,595	167,378,819
Trading	13,895,877	793,776	7,359,509
Property and investment holding	24,460,349	3,605,770	76,714,515
Interest income	-	2,682,915	74,192,400
Investment in associated company	-	5,355,000	52,043,966
	328,565,126	46,519,056	377,689,209

30. SIGNIFICANT EVENTS

1. BONDS

During the year, pursuant to a trust deed dated 29 September 2000, the company issued RM120 million nominal amount of 5% redeemable unsecured bonds 2000/2005 with 46,999,100 detachable warrants 2000/2005 at 100% of the nominal value of the Bonds to Arab-Malaysian Merchant Bank Berhad, the Primary Subscriber on a "Bought Deal" basis.

The salient features of the bonds are as follows:-

- the bonds bear a fixed coupon rate of 5% per annum based on the nominal amount of the bonds and will be payable semi-annually in arrears;
- the bonds constitute direct, unsecured and unconditional obligation of the company ranking pari-passu amongst themselves and with all other unsubordinated and unsecured obligations of the company;
- unless previously redeemed, cancelled or purchased by the company, the bonds will be redeemed at 100% of their nominal value together with the interest accrued on the maturity date;
- the company may at any time purchase the bonds in the secondary market or otherwise at any price;
- the warrants are immediately detachable from the bonds; and
- the status of utilization of proceeds from the issue of bonds with warrants as at 22 March 2001 were as follows:

	Originally approved by Securities Commission RM'million	Revised by the Board of Directors RM'million	Amount Utilised RM'million	Balance RM'million
i. Repayment of a loan taken for the acquisition of land at Lot 46 and Lot 6677, Kelang, Selangor.	84.000	84.000	84.000	-
ii. Payment for estimated premium for the land conversion at Lot 46 and Lot 6677, Kelang, Selangor.	22.000	14.770	11.399	3.371
iii. Purchase of Machinery and/or refinancing thereof	12.800	12.800	1.725	11.075
iv. Estimated expenses	1.200	1.200	0.959	0.241
v. Working capital	-	7.230	0.998	6.232
TOTAL	120.000	120.000	99.081	20.919

The Directors expect the proceeds from the issue of bonds with warrants to be fully utilised by July 2001.

30. SIGNIFICANT EVENTS (Cont'd)**2. WARRANTS**

Pursuant to the issue of RM120 million nominal amount of 5% redeemable unsecured bonds 2000/2005 with detachable warrants 2000/2005 at 100% of the nominal amount of the bonds to the Primary Subscriber, Arab-Malaysian Merchant Bank Berhad ("AMMB") structured on a 'bought deal' basis, 46,999,100 warrants were issued to AMMB on 6 October 2000. The warrants were then offered and allotted to shareholders of the Company on 15 February 2001 by AMMB at an offer price of 36.3 sen per warrant on a renounceable basis of one(1) warrant for every two(2) existing ordinary shares held in the Company. The warrants were subsequently listed on Kuala Lumpur Stock Exchange on 8 March 2001.

The salient features of the warrants 2000/2005 are as follows:

- a) Each warrant entitles the holder to subscribe for one ordinary share of RM1 each in the Company at an exercise price at RM2.25 per ordinary shares at any time during normal business hours up to 5.00 pm on 6 April 2005;
- b) Full provisions regarding the transferability of the warrants to new ordinary shares, which will thereafter rank pari passu with the existing ordinary shares of the Company, adjustment to the Exercise Price in certain circumstances, quotation on the Kuala Lumpur Stock Exchange and other terms and conditions pertaining to the warrants are set out in detail in a Deed Poll executed by the Company on 29 September 2000 which is available for inspection at the registered office at the Company;
- c) After the expiry of the subscription period, any subscription rights represented by the warrants which have not been exercised and delivered to the Registrar will lapse and every such warrant will cease thereafter to be valid for any purposes; and
- d) The proceeds from the exercise of warrants will be deposited in a sinking fund which shall be used to redeem the Bonds on maturity. Any surplus will be utilised to finance further expansions in the operations of the Group and/or for working capital purposes.

The movement in the warrants during the period from the date of issue to end of the financial year to take up unissued new ordinary shares of RM1.00 each in the Company was as follows :

	<i>Number of warrants</i>
As at 6 October 2000 (Date of issue)	46,999,100
Exercised	Nil
As at 31 January 2001	46,999,100

31. SUBSEQUENT EVENTS

1. On 27 March 2001, the Company announced that a Concession Agreement was signed on the same day between CIDB Inventures Sdn. Bhd. (CIDBI) and the National Highways Authority of India (NHAI).

The Company holds 10% equity interest in CIDBI.

The Concession Agreement is for the improvement and upgrading of certain stretches of highway in India and thereafter the operation, maintenance and toll collection of the highways. The Concession period is thirty years inclusive of construction period.

2. On 26 April 2001, Bulatan Gemilang Sdn. Bhd., a subsidiary company, has changed its name to WCT Overseas Sdn. Bhd..

Location	Tenure	Approximate Site / Floor Area	Description	Lease Expiry Date	Approximate Age of Building (Years)	Existing Use	Net Book Value at 31 Jan. 2001 (RM)	Valuation (RM)
1. Lot No. P.T. 891, Title No. HS (H) 6049, Sungai Penaga Mukim of Damansara Selangor Darul Ehsan	99 years Leasehold	2.7 acres	Industrial factory	20.10.2065	7	Leased out to manufacturing concern	6,000,000	6,000,000
2. Lot 23, Lorong Keluli IC Kawasan Perindustrian Perdana Bukit Raja, 41050 Klang Selangor Darul Ehsan [Title No. HS (D) 30978 Lot No. P.T. 17408, Mukim of Kapar, District of Klang Selangor Darul Ehsan]	Freehold	2.5 acres	Industrial factory with office annexed	N / A	6	Leased out to manufacturing concern	7,490,072	7,460,000
3. Lot Nos. 68 & 75 Industrial Lot, Bukit Beruntung Serendah, Selangor Darul Ehsan	Freehold	175,457 sq. ft.	Industrial land	N / A	1	Workshop	1,578,000	1,578,000
4. Lot Nos. 165, 372 & 373 Bungalow Lot, Bukit Beruntung Township, Mukim of Serendah Selangor Darul Ehsan	Freehold	87,271 sq. ft.	Residential land	N / A	N / A	Vacant	746,000	746,000
5. Nos. 19-G (Lot 3025-G) 21-G (Lot 3026-G), 23-G (Lot 3027-G) & 25-G (Lot 3028-G), Jalan Wawasan Ampang 2/2, Bandar Baru Ampang, 68000 Ampang Selangor Darul Ehsan	99 years Leasehold	7,930 sq. ft.	Shoplots	25.07.2088	9	Leased out to trading concern	1,107,000	1,107,000
6. Nos. 23-A (Lot 3027-A) 23-B (Lot 3027-B), 25-A (Lot 3028-A), 25-B (Lot 3028-B), 25-C (Lot 3028-C) 25-D (Lot 3028-D), 25-E (Lot 3028-E) & 25-F (Lot 3028-F) Jalan Wawasan Ampang 2/2 Bandar Baru Ampang 68000 Ampang Selangor Darul Ehsan	99 years Leasehold	8,691 sq. ft.	Residential premises	25.07.2088	9	Leased out to trading concern	880,000	880,000
7. Nos. 4-11-10 (Lot No. D1210A) Block 4, and 5-10-07 (Lot No. E1115), 5-11-07 (Lot No. E1215), Block 5 Meadow Park, Jalan 1/130 Off Jalan Kelang Lama 58200 Kuala Lumpur	Freehold	2,796 sq. ft.	Residential premises	N / A	9	Vacant	375,000	375,000
8. SL6-07, Indah Villa Condominium Jalan PJS 11/12, Subang Indah 46000 Petaling Jaya, Selangor Darul Ehsan, [Parcel No. SL8-07 South Wing, 6th Floor Indah Villa Condominium Section PJS 11, Petaling Jaya Selangor Darul Ehsan]	Freehold	1,234 sq. ft.	Residential premises	N / A	7	Vacant	170,000	170,000
9. No.12, Jalan Majistret U1/26, Seksyen U1 Lot 44, Hicom Glenmarie Industrial Park 40150 Shah Alam Selangor Darul Ehsan	Freehold	45,740 sq. ft.	4 storey warehouse and office building	N / A	5	Owner occupied as corporate office	6,480,622	7,000,000

Location	Tenure	Approximate Site / Floor Area	Description	Lease Expiry Date	Approximate Age of Building (Years)	Existing Use	Net Book Value at 31 Jan. 2001 (RM)	Valuation (RM)
10. Lot Nos. 249 and 1620 (GM 212 and GM 213) Mukim of Labu, District of Sepang, State of Selangor Darul Ehsan	Freehold	6.9 acres	Agricultural land	N / A	N / A	Vacant	361,000	361,000
11. A-1014, A-1015, 10th Floor Block A, Menara Pandan Jalan Pandan Utama Pandan Indah 55100 Kuala Lumpur	Leasehold	1,642 sq. ft.	Office lot	Title yet to be issued	2	Vacant	297,000	297,000
12. HS (D) 104382, PT 34066 Mukim Sungai Buloh District of Petaling State of Selangor Darul Ehsan	99 years Leasehold	71,913 sq. ft.	Commercial land	1.10.2095	N / A	Vacant	3,020,000	3,020,000
13. Condominium No.83-L2-02 Level 2, Block B3 Desaru Impian Beach Resort, Johor	99 years Leasehold	1,254 sq. ft.	Residential premises	6.11.2088	2	Sign lease back agreement with the Management for 2 years since 21.3.2000	364,000	364,000
14. 10 Storey Office Suites and Car Parking Space of Block B, Persiaran MPAJ Jalan Pandan Utama Pandan Indah 55100 Kuala Lumpur	Leasehold	299,500 sq. ft.	Office block & car park	Title yet to be issued	2	Vacant	35,000,000	35,000,000
15. HS (D) 14948, 14949 PT 97 & 98 Pekan Telok Keman Daerah Port Dickson Negeri Sembilan.	Freehold	4.89 acres	Commercial	N/A	N/A	Vacant	4,587,640	N / A
16. Lot No. 6677, Title No. CT 21376, Kelang Selangor Darul Ehsan	Freehold	241.3944 acres	Integrated Development	N/A	N/A	Under Development	60,348,600	N / A
17. Lot 46, Title No. Geran 24133, Kelang, Selangor Darul Ehsan	Freehold	319.9743 acres	Integrated Development	N/A	N/A	Under Development	79,993,575	N / A

SHARE CAPITAL

Authorised share capital	-	RM500,000,000
Issued and paid up share capital	-	RM94,005,200
Class of shares	-	Ordinary shares of RM1.00 each
Voting rights	-	One vote per ordinary share

THIRTY LARGEST SHAREHOLDINGS (As at 23 April 2001)

Name of Shareholders	No. of Shares Held	%
1. HLB Nominees (Tempatan) Sdn. Bhd. (A/C For WCT Capital Sdn. Bhd.)	30,757,200	32.72
2. Arab-Malaysian Nominees (Tempatan) Sdn. Bhd. (A/C For MTD Equity Sdn. Bhd.)	21,624,480	23.00
3. Sunmate Properties Sdn. Bhd.	4,497,600	4.78
4. Mayfin Nominees (Tempatan) Sdn. Bhd. (A/C For Wong Sewe Wing)	4,112,000	4.37
5. Taing Kim Hwa	2,566,320	2.73
6. AllianceGroup Nominees (Tempatan) Sdn. Bhd. (A/C For Pheim Asset Management Sdn. Bhd. For Employees Provident Fund)	1,837,000	1.95
7. United Overseas Nominees (Tempatan) Sdn. Bhd. (A/C For Chan Soon Huat)	1,600,000	1.70
8. United Overseas Nominees (Tempatan) Sdn. Bhd. (A/C For Taing Kim Hwa)	1,440,000	1.53
9. Employees Provident Fund Board	1,321,600	1.41
10. Ara Holdings Sdn. Bhd.	1,144,000	1.22
11. Wong Chwee Lai @ Wong Chew	1,006,720	1.07
12. Citicorp Nominees (Asing) Sdn. Bhd. (A/C For Government of Singapore Investment Corporation Private Limited)	958,600	1.02
13. Universal Trustee (Malaysia) Berhad (A/C for Multi-Purpose First Fund)	954,000	1.01
14. Goh Chin Liong	607,640	0.65
15. Leong Yeon Thoong	549,600	0.58
16. Chua Siow Leng	450,000	0.48
17. Choe Kai Keong	393,600	0.42
18. Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	363,200	0.39
19. Mayban Nominees (Tempatan) Sdn. Bhd. (A/C For Phang Hock Loon)	348,800	0.37
20. Malaysia Export Credit Insurance Berhad	320,000	0.34
21. Malaysia Nominees (Tempatan) Sdn. Bhd. (A/C For Malaysian Trustees Berhad For Multi-Purpose Vision Fund)	320,000	0.34
22. Mok Kwai Loy	295,800	0.31
23. Mayban Securities Nominees (Tempatan) Sdn. Bhd. (A/C For Siam Kim Chuan)	262,400	0.28
24. HDM Nominees (Asing) Sdn. Bhd. (A/C For OUB Securities Private Limited For Ng Kim Ming)	250,800	0.27
25. Hiew Mooi Yen	240,000	0.26
26. HDM Nominees (Asing) Sdn. Bhd. (A/C For OUB Securities Private Limited For Ng Suit Ching)	228,000	0.24
27. Malaysia Nominees (Tempatan) Sdn. Bhd. (A/C For Pheim Asset Management Sdn. Bhd. For Pintaras Jaya Berhad)	225,600	0.24
28. Kok Tuck Cheong	208,000	0.22
29. WCT Capital Sdn. Bhd.	203,760	0.22
30. Siam Kim Chuan	203,200	0.22

SUBSTANTIAL SHAREHOLDERS (As at 23 April 2001)

(In accordance with the register kept pursuant to Section 69L of the Companies Act, 1965)

Shareholders	Direct		Indirect	
	No. of Shares Held	%	No. of Shares Held	%
Taing Kim Hwa	4,118,080 ¹	4.38	30,960,960 ²	32.94
Wong Sewe Wing	4,304,000 ³	4.58	30,960,960 ²	32.94
Dato' Azmil Khalili bin Dato' Khalid	-	-	30,960,960 ⁴	32.94
WCT Capital Sdn. Bhd.	30,960,960 ⁵	32.94	-	-
Cash Carat Sdn. Bhd.	-	-	30,960,960 ⁶	32.94
Cranbrook & Worth Sdn. Bhd.	-	-	30,960,960 ⁷	32.94
MTD Equity Sdn. Bhd.	21,629,040 ⁸	23.00	-	-
MTD Capital Bhd.	-	-	26,126,640 ⁹	27.79
Nikvest Sdn. Bhd.	-	-	26,126,640 ¹⁰	27.79
Dato' Dr. Nik Hussein bin Abdul Rahman	-	-	26,126,640 ¹¹	27.79
Sunmate Properties Sdn. Bhd.	4,497,600	4.78	-	-
HLB Nominees (Tempatan) Sdn. Bhd. (A/C for WCT Capital Sdn. Bhd.)	-	-	30,757,200 ¹²	32.72
Arab-Malaysian Nominees (Tempatan) Sdn. Bhd. (A/C for MTD Equity Sdn. Bhd.)	-	-	21,624,480 ¹³	23.00
Mayfin Nominees (Tempatan) Sdn. Bhd. (A/C For Wong Sewe Wing)	-	-	4,112,000 ¹⁴	4.37
Employees Provident Fund Board	3,158,600	3.36	-	-

Notes To Interest In Shares:

- 1,440,000 WCT shares held through United Overseas Nominees (Tempatan) Sdn. Bhd. and 111,760 WCT shares held through Mayfin Nominees (Tempatan) Sdn. Bhd.
- by virtue of their 50% shareholding each in Cash Carat Sdn. Bhd. which is deemed interested in WCT by virtue of its 64.28% shareholding in WCT Capital Sdn. Bhd.
- 4,112,000 WCT shares held through Mayfin Nominees (Tempatan) Sdn. Bhd.
- by virtue of his 99.9% shareholding in Cranbrook & Worth Sdn. Bhd. which is deemed interested in WCT by virtue of its 35.72% shareholding in WCT Capital Sdn. Bhd.
- 30,757,200 WCT shares held through HLB Nominees (Tempatan) Sdn. Bhd.
- by virtue of its 64.28% shareholding in WCT Capital Sdn. Bhd.
- by virtue of its 35.72% shareholding in WCT Capital Sdn. Bhd.
- 21,624,480 WCT shares held through Arab-Malaysian Nominees (Tempatan) Sdn. Bhd.
- by virtue of its 100% shareholding in MTD Equity Sdn. Bhd. and deemed interested by virtue of substantial interest in Sunmate Properties Sdn. Bhd.
- by virtue of its 22.71% shareholding in MTD Capital Bhd.
- by virtue of his deemed interest in Nikvest Sdn. Bhd.
- As bare trustee for WCT Capital Sdn. Bhd.
- As bare trustee for MTD Equity Sdn. Bhd.
- As bare trustee for Wong Sewe Wing.

ANALYSIS BY SIZE OF SHAREHOLDINGS (As at 23 April 2001)

Size of Shareholdings		No. of Shareholders	%	No. of Shares Held	%
Less than	1,000	197	11.02	67,430	0.07
1,000 -	10,000	1,281	71.65	5,233,450	5.57
10,001 -	100,000	265	14.82	7,495,320	7.97
100,001 -	Less than 5%	43	2.40	28,827,320	30.67
5% and above		2	0.11	52,381,680	55.72
Grand Total		1,788	100.00	94,005,200	100.00

NOTICE IS HEREBY GIVEN that the Twentieth Annual General Meeting of WCT Engineering Berhad will be held at 3rd Floor, No. 12, Jalan Majistret U1/26, Seksyen U1, Lot 44, Hicom-Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan on 11 July 2001 at 10.00 a.m., for the following purposes:-

AGENDA

1. To receive and adopt the Audited Accounts for the year ended 31 January 2001 and the Reports of the Directors and Auditors thereon. *(Resolution 1)*
2. To approve a final tax exempt dividend of 2.5% per share and a special tax exempt dividend of 2.5% per share for the year ended 31 January 2001. *(Resolution 2)*
3. To approve the payment of Directors' fees. *(Resolution 3)*
4. To re-elect Mr. Wong Sewe Wing who retires as a Director of the Company pursuant to Article 65 of the Company's Articles of Association. *(Resolution 4)*
5. To re-elect Mr. Cheah Hon Kuen who retires as a Director of the Company pursuant to Article 65 of the Company's Articles of Association. *(Resolution 5)*
6. To re-elect Mr. Choe Kai Keong who retires as a Director of the Company pursuant to Article 70 of the Company's Articles of Association. *(Resolution 6)*
7. To appoint Messrs. Ernst & Young as Auditors of the Company in place of the retiring Auditors, Messrs. Roger Yue, Tan & Associates who do not wish to seek re-appointment as Auditors of the Company and to authorise the Directors to fix their remuneration. *(Resolution 7)*

As Special Business:-

8. To consider and if thought fit, pass the following Ordinary Resolution:-

"THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total issued share capital of the Company and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

(Resolution 8)
9. To transact any other business of which due notice shall be given in accordance with the Articles of Association of the Company and the Companies Act, 1965.

EXPLANATORY NOTES ON SPECIAL BUSINESS

Resolution No. 8 (Ordinary)

The Ordinary Resolution proposed under item 8, if passed, will empower the Directors to allot and issue shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for such purposes as they consider would be in the interest of the Company. This authority, unless revoked or varied at general meeting, will expire at the next Annual General Meeting of the Company.

NOTICE OF ENTITLEMENT DATE AND DIVIDEND PAYMENT

NOTICE IS ALSO HEREBY GIVEN that a final tax exempt dividend of 2.5% per share and a special tax exempt dividend of 2.5% per share for the year ended 31 January 2001, if approved by the shareholders at the forthcoming Annual General Meeting will be payable on 31 July 2001.

The entitlement date shall be fixed on 19 July 2001 and a Depositor shall qualify for entitlement only in respect of:-

- a) shares transferred into the Depositor's Securities Account before 12.30 p.m. on 19 July 2001 in respect of ordinary transfers; and
- b) shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

BY ORDER OF THE BOARD

LOO SHEN CHANG
(MACPA 2521, MIA 7069)
Secretary

Selangor Darul Ehsan
29 May 2001

Notes:

- i) A member entitled to attend and vote at a meeting may appoint a proxy to attend and vote on his behalf and such proxy need not be a member of the Company.
- ii) The instrument appointing a proxy in the case of an individual shall be signed by the appointor or his attorney and in the case of a corporation, the instrument appointing a proxy must be under seal or under the hand of an officer or attorney duly authorised. Where a member appoints two proxies, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy. In the case of joint holding, the signatures of all joint holders are required.
- iii) The instrument appointing a proxy must be deposited at the registered office of the Company, No. 12, Jalan Majistret U1/26, Seksyen U1, Lot 44, Hicom-Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan, not less than 48 hours before the time for holding the meeting or any adjournment thereof.



To : All Shareholders

NOTICE IS HEREBY GIVEN THAT in accordance with Section 172(12) of the Companies Act, 1965, Messrs. Ernst & Young have been nominated for appointment as the Company's Auditors at the Twentieth Annual General Meeting to be held on 11 July 2001.

A copy of the shareholder's nomination letter is attached herewith.

Date: 29 May 2001

By ORDER OF THE BOARD

LOO SHEN CHANG
(MACPA 2521, MIA 7069)
Secretary

WCT CAPITAL SDN. BHD.
(Company No. 219912-A)

8.03, 8th Floor, First Nationwide Tower, 161, Jalan Tun H.S. Lee, 50000 Kuala Lumpur

14 May 2001

The Board of Directors
WCT ENGINEERING BERHAD
No. 12 Jalan Majistret U1/26, Seksyen U1
Lot 44, Hicom-Glenmarie Industrial Park
40150 Shah Alam, Selangor Darul Ehsan

Dear Sirs,

NOTICE OF NOMINATION OF AUDITORS

In accordance with Section 172(11) of the Companies Act, 1965, we hereby give you notice of our intention to nominate for appointment at the forthcoming Annual General Meeting, Messrs. Ernst & Young as the Auditors of WCT Engineering Berhad in place of the retiring Auditors, Messrs. Roger Yue, Tan & Associates, who are not seeking for re-appointment.

The Common Seal of the Company was)
hereunto affixed in the presence of)



TAING KIM HWA
Director



WONG SEWE WING
Director



I/We _____
of _____
being a Member/Members of **WCT ENGINEERING BERHAD**, hereby appoint _____
_____ of _____
or failing him, _____
of _____
as my/our proxy to vote for me/us on my/our behalf at the Twentieth Annual General Meeting of the Company to be held at 3rd Floor, No. 12, Jalan Majistret U1/26, Seksyen U1, Lot 44, Hicom-Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan on 11 July 2001 at 10.00 a.m. and at any adjournment thereof in respect of my/our holding of _____ shares in the manner indicated below:-

No.	Resolutions	For	Against
1.	Adoption of Audited Accounts and Reports of the Directors and Auditors for the year ended 31 January 2001.		
2.	Declaration of final and special tax exempt dividends.		
3.	Approval of Directors' fees.		
4.	Re-elect the following Directors: Mr. Wong Sewe Wing.		
5.	Mr. Cheah Hon Kuen.		
6.	Mr. Choe Kai Keong.		
7.	To appoint Messrs. Ernst & Young as Auditors of the Company in place of the retiring Auditors, Messrs. Roger Yue, Tan & Associates who do not wish to seek re-appointment as Auditors of the Company and to authorise the Directors to fix their remuneration.		
8.	To authorise the Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.		
9.	Other Business.		

Please indicate with a cross (X) in the spaces provided whether you wish your votes to be cast for or against the Resolutions. In the absence of specific instructions, your proxy will vote or abstain as he thinks fit.

Dated this _____ day of _____, 2001

Signature of Shareholder(s)
or Common Seal

Notes:

- i) A member entitled to attend and vote at a meeting may appoint a proxy to attend and vote on his behalf and such proxy need not be a member of the Company.
- ii) The instrument appointing a proxy in the case of an individual shall be signed by the appointor or his attorney and in the case of a corporation, the instrument appointing a proxy must be under seal or under the hand of an officer or attorney duly authorised. Where a member appoints two proxies, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy. In the case of joint holding, the signatures of all joint holders are required.
- iii) The instrument appointing a proxy must be deposited at the registered office of the Company, No. 12, Jalan Majistret U1/26, Seksyen U1, Lot 44, Hicom-Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan, not less than 48 hours before the time for holding the meeting or any adjournment thereof.

Fold this flap for sealing

AFFIX
STAMP

WCT ENGINEERING BERHAD (66538-K)
12, Jalan Majistret U1/26, Seksyen U1
Lot 44, Hicom-Glenmarie Industrial Park
40150 Shah Alam, Selangor Darul Ehsan

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2nd fold here