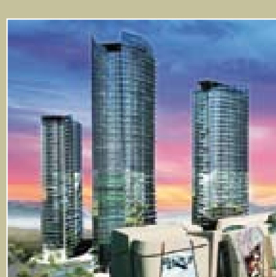
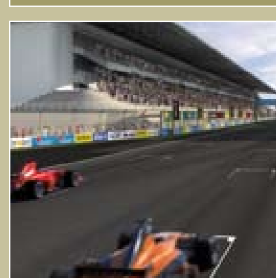
WCT Berhad (66538-K)

(formerly known as WCT Engineering Berhad)

ANNUAL REPORT 2008





Our Vision

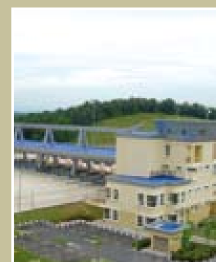
To be a leader in the field of engineering, construction, property development and management known for its innovation and excellence

Our Mission

- To provide excellent quality products and services that exceed customers' expectations;
- To ensure shareholders receive an equitable return on their investments;
- To provide employees with a safe and healthy working environment as well as opportunities for career advancement through systematic training;
- To create wealth and improve the quality of life for the betterment of the communities we operate in;
- To play a significant role towards achieving the nation's social and economic objectives; and
- To contribute our resources for the well-being of society and the environment.

Cover Rationale

The clean and simple cover design reflects WCT Group's focus and commitment. It sums up the Group's reputation as a world-class contractor and its geographically diverse experience in a wide range of projects. The clear and shimmering colours represent new opportunities and the Group's aspirations to be the best.



Contents

Milestones

2008
- Industry Excellence Award - Export Excellence Award 2008 - Construction Services Sector
- Awarded the Brand Laureate Award for Best Brands – Engineering & Construction (2007/2008)
- Foray into Vietnam property market with the award of an Investment Certificate for the Platinum Plaza development project in Ho Chi Minh City
- Achieved OHSAS 18001: 2007 Certification
- Changed name to WCT Berhad

2007
- First investment property , Bandar Bukit Tinggi Mall, Klang, Malaysia, was completed and launched.
- Foray into Vietnam construction market with the award of an Investment Certificate for construction
- Forged strategic partnership with Arabtec Holding PJSC of Dubai, U.A.E.
- Foray into Dubai construction market – Storm Water Drainage and Sewerage System Works at the Dubai World Central International Airport, U.A.E.
- Foray into Abu Dhabi construction market – Abu Dhabi F1 Circuit on Yas Island, Abu Dhabi, U.A.E.
- Inducted as a component stock of the Kuala Lumpur Composite Index (KLCI) by Bursa Malaysia Securities Berhad
- Road Engineering Association of Malaysia - Road Engineering Excellence Award

2006
- Silver Jubilee - 25th Anniversary
- Ventured into property investment and management

2005
- Industry Excellence Award - Export Excellence Award 2004 - Construction Services Sector
- Achieved accumulated property sales of RM2.0 Billion
- Achieved OHSAS 18001: 1999 Certification

2004
- Successfully completed first overseas project - Tada-Nellore Highway, West Bengal, India
- Successfully completed first Middle East project - Bahrain International Circuit - contract value of RM586 million within a record time of 16 months
- MCIEA - International Achievement Award (Bahrain International Circuit)

2003
- Achieved ISO 9001: 2000 Certification

2002
- MCIEA – Builder of the Year Award
- Forged strategic partnership with Cebarco Bahrain SPC, Kingdom of Bahrain.
- Achieved accumulated property sales of RM1.0 billion.

2001
- Achieved ISO 9002 : 1994 Certification
- Malaysian Construction Industry Excellence Award (MCIEA) – Special Projects Category - Sepang F1 Circuit
- SI-KPMG Shareholder Value Award - No.1 for Construction, Infrastructure & Property Category

1999
- Transferred to the Main Board of Bursa Malaysia Securities Berhad – Construction Sector.
- First foray into overseas construction – India

1998
- Successfully completed the Sepang F1 Circuit - contract value of RM308 million, within a record time of 14 months

1997
- First property sales launch at the integrated township of Bandar Bukit Tinggi, Klang, Malaysia.

1996
- Ventured into property development
- Successfully completed bulk earthworks of the Kuala Lumpur International Airport (KLIA) project (more than 50 million cubic metres of earth was excavated)

1995
- Listed and quoted on the Second Board of Bursa Malaysia Securities Berhad as WCT Engineering Berhad

1993
- Successfully completed first major infrastructure project – Selangor Turf Club, Sungai Besi, Malaysia.

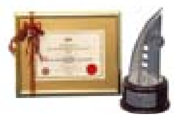
1981
- Company was founded as WCT Earthworks and Building Contractors Sdn Bhd under the Companies Act, 1965, Malaysia

Awards & Achievements

2008

Industry Excellence Award 2008

- Export Excellence – Construction Services
  Awarded by the Ministry of International Trade & Industry, Malaysia (MITI)



The Brand Laureate Award

- Winner of the Best Brands for the Engineering & Construction category (2008 – 2009)

2007

Road Engineering Excellence Award

- Principal Contractor of Guthrie Corridor Expressway
  Awarded by the Road Engineering Association of Malaysia

Certificate of Award for Best Environmental Management System

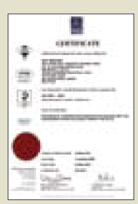
- Design, Construction and Completion of the Office Building on Plot 3C4, Precinct 3, Putrajaya, Malaysia
  Awarded by Putrajaya Holdings Sdn Bhd

Certificate of Award for Best Safety & Health Management System

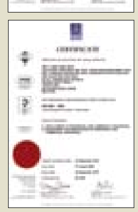
- Design, Construction and Completion of the Office Building on Plot 3C4, Precinct 3, Putrajaya, Malaysia
  Awarded by Putrajaya Holdings Sdn Bhd

QUALITY CERTIFICATIONS

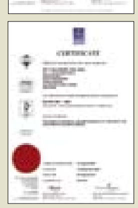
MS ISO 9001 : 2000
Quality Management System Certification for WCT Berhad
Certification No. AR 2274



MS ISO 9001 : 2000
Quality Management System for WCT Land Sdn Bhd
Certification No. AR 3353



MS ISO 9001 : 2000
Quality Management System for WCT Machinery Sdn Bhd
Certification No. AR 4416



2005

Industry Excellence Award 2005

- Export Excellence – Construction Services
  Awarded by the Ministry of International Trade & Industry, Malaysia (MITI)

2004

International Achievement Award

- Bahrain International Circuit
  Malaysian Construction Industry Excellence Awards
  Awarded by the Construction Industry Development Board of Malaysia (CIDB)

2002

Builder of the Year

- Malaysian Construction Industry Excellence Awards
  Awarded by the Construction Industry Development Board of Malaysia (CIDB)

2001

SI-KPMG Shareholder Value Awards

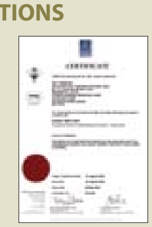
- Winner for the Construction, Infrastructure and Property Category
  Awarded by Smart Investor-KPMG

Special Project Award

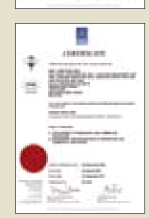
- Sepang F1 Circuit
  Malaysian Construction Industry Excellence Awards
  Awarded by the Construction Industry Development Board of Malaysia (CIDB)

OCCUPATIONAL HEALTH & SAFETY CERTIFICATIONS

OHSAS 18001 : 2007
Occupational Health and Safety Management System for WCT Berhad
Certification No. SR 0256



OHSAS 18001 : 2007
Occupational Health and Safety Management System for WCT Land Sdn Bhd
Certification No. SR 0263



Corporate Structure

As at 30 April 2009

INVESTMENT HOLDINGS AND OTHERS

100%	WCT Offshore (L) Ltd
100%	WCT (S) Pte Ltd ##

DOMESTIC CONSTRUCTION

100%	WCT Construction Sdn Bhd
60%	Intraxis Engineering Sdn Bhd
100%	WCT Machinery Sdn Bhd
100%	WCT Products Sdn Bhd

OVERSEAS CONSTRUCTION

50%	Cebarco-WCT W.L.L. *
50%	Khalid Abdulrahim Group WCT W.L.L. *
99%	WCT (Bahrain) W.L.L. *
61.9%	IWM Construction Pvt Ltd ^^
30%	Gamuda-WCT (India) Pvt Ltd ^^
99.9%	WCT Infrastructure (India) Pvt Ltd ^^
100%	WCT Engineering Vietnam Company Limited #
49%	AES-WCT Contracting L.L.C. **
70%	Allied WCT L.L.C. ***

Corporate Structure

As at 30 April 2009 (cont'd)

^	*Incorporated in the Republic of Mauritius*
^^	*Incorporated in India*
*	*Incorporated in the Kingdom of Bahrain*
**	*Incorporated in Dubai, United Arab Emirates*
***	*Incorporated in the Sultanate of Oman*
#	*Incorporated in Vietnam*
##	*Incorporated in Singapore*
@	*Effective equity interest*

TOLL CONCESSION

100%	WCT Overseas Sdn Bhd
100%	WCT (International) Pvt Ltd ^
15.35%	CIDB Inventures Sdn Bhd
100%	WCT (Offshore) Pvt Ltd ^
30%	Gamuda-WCT (Offshore) Pvt Ltd ^
30%	Suria Holdings (O) Pvt Ltd ^
21.6% @	Swarna Tollway Pvt Ltd ^^
30%	Mapex Infrastructure Pvt Ltd ^^
30%	Emas Expressway Pvt Ltd ^^

PROPERTY DEVELOPMENT

100%	WCT Land Sdn Bhd
100%	Labur Bina Sdn Bhd
100%	Gemilang Waras Sdn Bhd
100%	Gabungan Efektif Sdn Bhd
100%	Camellia Tropicana Sdn Bhd
100%	Jelas Puri Sdn Bhd
100%	Labur Bina Management Sdn Bhd
67%	BSC-WCT Company Limited #

PROPERTY INVESTMENT

100%	WCT Land Resources Sdn Bhd
100%	BBT Mall Sdn Bhd
100%	WCT Properties Sdn Bhd
100%	BBT Hotel Sdn Bhd
100%	WCT Hotel & Facilities Management Sdn Bhd *(Formerly known as Pantas Merdu Sdn Bhd)*

Corporate Diary 2008/2009

9 January 2008
Receipt of the Investment Certificate and establishment of a subsidiary to develop the Platinum Plaza Project in Ho Chi Minh City, Vietnam.

9 January 2008
Exclusive preview of The Paradigm held at One World Hotel.

22 January 2008
At the Extraordinary General Meeting held, the following, among others, were approved:- (i) the Share Split, (ii) the issue of the RM300 million of Islamic serial redeemable sukuk ("Sukuk") with detachable warrants, (iii) the offer for sale by the subscribers to the Sukuk of up to 145,902,376 detachable provisional rights to allotment of warrants on a renounceable rights basis of 1 warrant for every 5 entitled ordinary shares held in the Company ("WCT"), and (iv) privatization of WCT Land Berhad ("WCTL", now know as WCT Land Sdn Bhd) via a voluntary take-over offer.

12 February 2008
WCT completed the Share Split which involved the sub-division of each existing ordinary share of RM1.00 into two (2) new ordinary shares of RM0.50 each.

12 March 2008
WCTL was officially delisted from the Official List of Bursa Malaysia Securities Berhad.

26 March 2008
WCT initiated the compulsory acquisition of the remaining shares in WCTL not already held by the Company. The Company's ordinary shares thus issued were subsequently listed and quoted on 4 April 2008. WCTL became a wholly-owned subsidiary of WCT with effect from 28 March 2008. It was converted into a private company on 18 April 2008 and assumed the name WCT Land Sdn. Bhd.

28 March 2008
Issuance of the Prospectus for the Offer for Sale of Rights to the Provisional Allotment of Warrants at an issue price of RM0.25 per Warrant on the renounceable basis of one (1) warrant for every five (5) existing entitled ordinary shares held in WCT. Each warrant is exercisable into one (1) ordinary share of RM0.50 each at an exercise price of RM3.00 by the tendering of a Warrant together with a payment of RM3.00.

12 April 2008
Launch of *"JULIA"*, 2-storey terrace house in Phase 2E, Bandar Bukit Tinggi 2, Klang.

15 April 2008
Closing date for the Offer for Sale of Rights to the Provisional Allotment of Warrants which received overwhelming response with an acceptance rate of 97.64% and an oversubscription rate of 84.06%. A total of 139,887,452 Warrants were issued and listed on 28 April 2008.

17 April 2008
Launch of *"CALADIUM"*, 2-storey terrace house in Phase B5, Bandar Parklands, Klang

Corporate Diary 2008/2009 (cont'd)

3 June 2008
WCT held its 27th Annual General Meeting.

5 June 2008
The Company changed its name from WCT Engineering Berhad to WCT Berhad.

22 June 2008
Launch of *"ASPEN"*, 2-storey semi-detached house in Phase B11, Bandar Parklands, Klang.

25 June 2008
Awarded a contract worth RM287.8 million for the Design and Build, Testing and Commissioning of an Aeon Shopping Mall with infrastructure works in Bandar Melaka, Melaka.

8 August 2008
WCT's Brand Manual was officially launched to unify the Group's corporate image and identity.

7 September 2008
Official launch of BBT One Towers, Bandar Bukit Tinggi, Klang

20 September 2008
Grand launch of d'Banyan Show Houses, Kota Kinabalu, Sabah, Malaysia

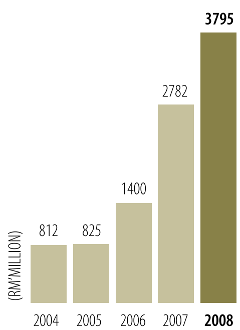
29 September 2008
WCT's wholly-owned subsidiaries entered into the following conditional agreements with the Employees Provident Fund Board : (i) Share Sale Agreement for the proposed disposal by WCT Land Sdn Bhd of 48 million ordinary shares of RM1.00 each representing 30% of the enlarged share capital in Jelas Puri Sdn Bhd ("JPSB") for a total cash consideration of RM87.36 million, (ii) Subscription Agreement for the proposed issuance by JPSB of up to RM390 million nominal value of 5-year 6% per annum Redeemable Secured Loan Stocks ("RSLS") at 100% nominal value. EPF is a major shareholder of WCT and accordingly, shareholders' approval is required for this related party transaction.

2 November 2008
The Company's 50%-owned joint venture company, Cebarco-WCT WLL (Abu Dhabi Branch) ("CWCT"), was awarded a contract worth AED234.9 million (approximately RM234 million) by ALDAR for the execution and completion of the Works known as the Marina Landside Facilities for Yas Island Development, Abu Dhabi.

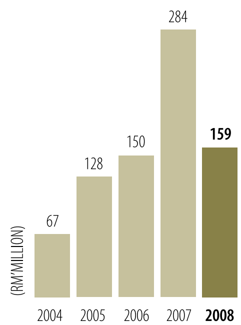
24 November 2008
CWCT was awarded additional works worth AED997.9 million and EUR45.5 million (totaling approximately RM1.2 billion) by ALDAR under the existing Contract for the construction and completion of the Motor Racing Circuit, Yas Island, Abu Dhabi.

9 April 2009
Shareholders approved the Related Party Transaction with EPF pursuant to the agreements signed on 29 September 2008.

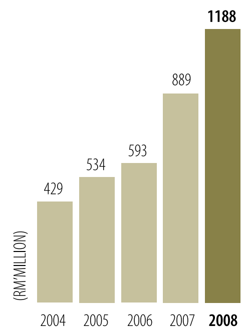
Financial Highlights



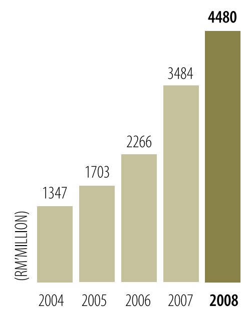
REVENUE



PROFIT BEFORE TAX



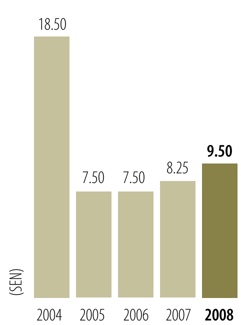
SHAREHOLDERS' FUNDS



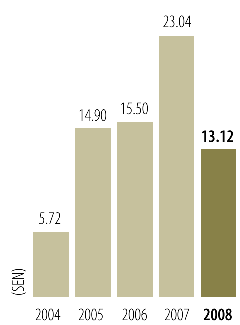
TOTAL ASSETS

		2004	2005	2006	2007	2008
Revenue	RM'000	812,113	825,036	1,400,374	2,781,701	3,795,487
Profit Before Taxation	RM'000	66,972	127,802	149,812	283,530	158,840
Profit After taxation #	RM'000	27,214	94,122	115,204	229,126	145,788
Issued Share Capital	RM'000	121,331	212,606	214,250	^355,533	^391,434
Shareholders' Funds	RM'000	429,249	533,764	593,071	888,802	1,188,215
Total Assets	RM'000	1,347,351	1,703,045	2,266,164	3,484,240	4,480,228

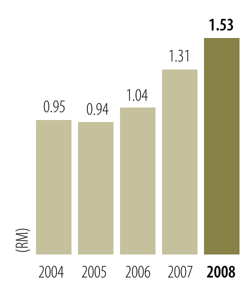
\# *After exceptional items and share of results in associated companies and jointly controlled entity.*
^ *Includes both ordinary and preference shares.*



GROSS DIVIDEND



EARNINGS PER SHARE



NET ASSETS PER SHARE

		2004	2005	2006	2007	2008
Gross dividend (1)	Sen	18.50	7.50	7.50	8.25	9.50
Earnings per share (2)	Sen	5.72	14.90	15.50	23.04	13.12
Net assets per share (2)	RM	0.95	0.94	1.04	1.31	1.53

Notes:-

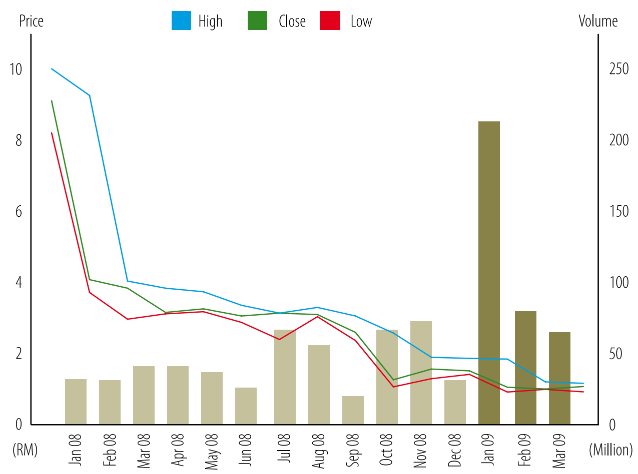
(1) Based on ordinary shares of RM0.50 each after adjusting for the 1 for 2 Share Split completed on 12 February 2008.

(2) Based on ordinary shares of RM0.50 each after adjusting for the aforementioned Share Split and the Bonus Issues completed in 2005 and 2007.

Historical Price Performance

Ordinary Share				
Month	**High (RM)**	**Low (RM)**	**Close (RM)**	**Volume (Million)**
Jan-08	10.00	8.20	9.10	31.53
Feb-08	9.25	* 3.72	* 4.08	31.12
Mar-08	4.04	2.97	3.84	41.32
Apr-08	3.84	3.12	3.16	40.63
May-08	3.74	3.18	3.26	36.83
Jun-08	3.36	2.88	3.06	25.50
Jul-08	3.14	2.40	3.14	67.47
Aug-08	3.30	3.04	3.10	55.95
Sep-08	3.06	2.37	2.60	20.20
Oct-08	2.58	1.07	1.27	66.50
Nov-08	1.90	1.30	1.57	73.15
Dec-08	1.87	1.42	1.52	31.10
Jan-09	1.85	0.925	1.06	213.81
Feb-09	1.21	1.00	1.01	79.79
Mar-09	1.17	0.93	1.08	65.39

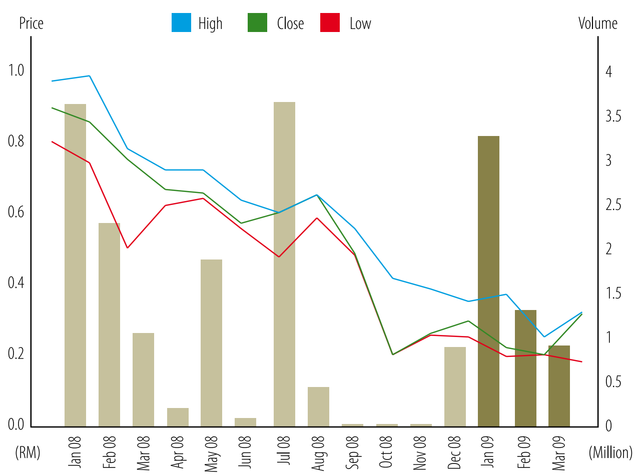
WCT Ordinary Share
(Stock Name: WCT; Stock Code: 9679)



* The Company completed its 2 for 1 share split on 12 February 2008 whereby each ordinary share of RM1.00 was sub-divided into 2 ordinary shares of RM0.50 each.

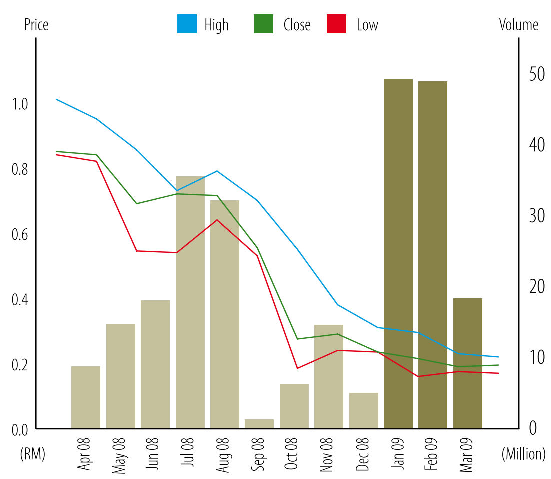
Irredeemable Convertible Preference Share ("ICPS")				
Month	**High (RM)**	**Low (RM)**	**Close (RM)**	**Volume (Million)**
Jan-08	0.970	0.800	0.895	3.62
Feb-08	0.985	0.740	0.855	2.37
Mar-08	0.780	0.500	0.750	1.06
Apr-08	0.720	0.620	0.665	0.21
May-08	0.720	0.640	0.655	1.86
Jun-08	0.635	0.555	0.570	0.10
Jul-08	0.600	0.475	0.600	3.67
Aug-08	0.650	0.585	0.650	0.45
Sep-08	0.555	0.480	0.485	0.03
Oct-08	0.415	0.200	0.200	0.03
Nov-08	0.385	0.255	0.260	0.03
Dec-08	0.350	0.250	0.295	0.90
Jan-09	0.370	0.195	0.220	3.29
Feb-09	0.250	0.200	0.200	1.32
Mar-09	0.320	0.180	0.315	0.92

WCT ICPS
(Stock Name: WCT-PA; Stock Code: 9679PA)



Warrant (2008/2013)				
Month	**High (RM)**	**Low (RM)**	**Close (RM)**	**Volume (Million)**
Apr-08	1.010	0.840	0.850	8.87
May-08	0.950	0.820	0.840	14.86
Jun-08	0.855	0.545	0.690	18.17
Jul-08	0.730	0.540	0.720	35.70
Aug-08	0.790	0.640	0.715	32.32
Sep-08	0.700	0.530	0.555	1.37
Oct-08	0.550	0.185	0.275	6.38
Nov-08	0.380	0.240	0.290	14.75
Dec-08	0.310	0.235	0.235	5.12
Jan-09	0.295	0.160	0.215	49.38
Feb-09	0.230	0.175	0.190	49.08
Mar-09	0.220	0.170	0.195	18.45

WCT Warrants
(Stock Name: WCT-WB; Stock Code: 9679WB)



Corporate Profile

Government office buildings in the Federal Government Administrative Centre of Putrajaya, Malaysia

Left **Lot 4G9** - Office tower with 39 levels and 4 stories of basement car parks

Right **Lot 4G8** - Office tower with 34 levels and 4 stories of basement car parks

Established on 14 January 1981 as WCT Earthworks & Building Contractors Sdn Bhd, the Company became a public listed company on 1 April 1994. WCT made its debut on the Bursa Malaysia Securities Berhad on 16 February 1995. The Company assumed its present name WCT Berhad since 5 June 2008 to reflect the diverse business within the WCT Group of Companies.

Over the years, with continuous hard work, perseverance, and beliefs in management productivity and efficiency, WCT has elevated its standing and solid reputation in the construction industry both local and abroad. As a team, we strived through the period of slow economic growth in the mid-1980s, as well as the financial crisis in the late 90s. These periods have not only strengthened our position in the construction and property industry but also propelled us into expanding our products and services to include project management, construction design and value engineering in:

- F1 racing circuit;
- International Airport;
- Iconic infrastructure;
- Racecourse;
- Hydroelectric dam;
- Expressway & Highway;
- High-rise and special purpose building;
- Commercial building;
- Township planning & development;
- Commercial property development & management; and
- BOT Toll Concessions.

Over a period of 28 years, WCT has completed more than 300 Construction Projects valued at RM9.5 billion with global presence in the Middle East, India, Vietnam and Malaysia and has delivered in excess of 12,000 units of residential and commercial properties amounting to gross development value of RM2.6 billion. In assets investment, WCT owns shopping malls, Grade-A offices, hotel and has equity ownership in three BOT Toll Highway Concessions in India.

Our construction capabilities and track records are recognized both locally and abroad. WCT is the recipient of several distinguished awards including the highly acclaimed Builder of the Year Award in 2002, Special Project Award for Sepang International F1 Circuit in 2001 and the International Achievement Award in 2004 by the Construction Industry Development Board of Malaysia. The Ministry of International Trade and Industry of Malaysia has accorded WCT with the prestigious Export Excellence Award twice in 2004 and 2008. WCT was also named the recipient of the Road Engineering Excellence Award 2007 for the construction of Guthrie Corridor Expressway by the Road Engineering Association of Malaysia.

A highly acclaimed organisation with the drive to achieve greater heights, WCT is moving forward with a Vision to be a true leader in the fields of Engineering & Construction, Property Development and Management known for its Innovation and Excellence. It is the objective of WCT to constantly provide excellent quality products and valuable services to our clients, and at the same time, create a better quality of life for the society. As a responsible corporate citizen, we are invariably committed to good governance and upholding shareholders' value.

Corporate Information

BOARD OF DIRECTORS

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	(Independent Non-Executive Chairman)
Taing Kim Hwa	(Managing Director)
Goh Chin Liong	(Deputy Managing Director)
Wong Sewe Wing	(Executive Director)
Choe Kai Keong	(Executive Director)
Liang Kai Chong	(Executive Director)
Loh Siew Choh	(Executive Director)
Cheah Hon Kuen	(Independent Non-Executive Director)
Choo Tak Woh	(Independent Non-Executive Director)

Audit Committee
Cheah Hon Kuen (Chairman)
Dato' Capt. Ahmad Sufian @
Qurnain bin Abdul Rashid
Choo Tak Woh

Nomination & Remuneration Committee
Dato' Capt. Ahmad Sufian @
Qurnain bin Abdul Rashid (Chairman)
Cheah Hon Kuen
Choo Tak Woh

Options Committee
Cheah Hon Kuen (Chairman)
Taing Kim Hwa
Goh Chin Liong

Company Secretary
Wong Pooi Cheong (MAICSA 0782043)

Auditors
Messrs Ernst & Young
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Malaysia

Registered Office and Principal Place of Business
No. 12, Jalan Majistret U1/26
Seksyen U1, Lot 44
Hicom-Glenmarie Industrial Park
40150 Shah Alam
Selangor Darul Ehsan
Malaysia
Tel : +603-7805 2266
Fax : +603-7805 3548
E-mail : enquiries@wct.com.my
Web : www.wct.com.my

Share Registrar
Symphony Share Registrars Sdn. Bhd.
Level 26, Menara Multi-Purpose
Capital Square
No. 8 Jalan Munshi Abdullah
50100 Kuala Lumpur
Malaysia
Tel : +603-2721 2222
Fax : +603-2721 2530/ +603-2721 2531

Principal Bankers
Malayan Banking Berhad
RHB Bank Berhad
HSBC Bank Malaysia Berhad
Standard Chartered Bank Malaysia Berhad
OCBC Bank (Malaysia) Berhad

Solicitors
Yip & Co.
Zaid Ibrahim & Co.
CK Oon & Co.
Kadir, Andri & Partners

Stock Exchange Listing
Bursa Malaysia Securities Berhad
- Main Board
Stock Short Name: WCT
Stock Code: 9679

Profiles of Directors

DATO' CAPT. AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID
Independent Non-Executive Chairman

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid, aged 59, was appointed to the Board on 12 August 1996. He qualified as a Master Mariner with a Master Foreign-Going Certificate of Competency from the United Kingdom ("UK") in 1974 and a Diploma in Applied International Management from the Swedish Institute of Management in 1984. Dato' Ahmad Sufian has also attended the Advanced Management Program at Harvard Business School in 1993.

He has over thirty-seven years of experience in the international maritime industry and is a Fellow of the Nautical Institute (UK), a Fellow of the Chartered Institute of Logistics & Transport (UK) and a Fellow of the Institut Kelautan Malaysia. Amongst his previous experience was the creation and development of the Malaysian national shipping line, Perbadanan Nasional Shipping Line Berhad, for which he served as its General Manager and Director for seven years between 1982 to 1989. He was also involved in the privatization of the Kuantan Port in the mid 1990's and served as its first Executive Director / Chief Executive Officer for two years.

With his extensive business experience and in-depth knowledge in public sector procurement, he provides invaluable input to the Group's overall business direction and guides the Board with impartial and independent advice.

He is a member of the Audit Committee, chairs the Nomination & Remuneration Committee and acts as an advisor to the Management Committee. Dato' Ahmad Sufian is also a director of several public listed companies: he is the Independent Non-Executive Chairman of both GD Express Carriers Berhad and Alam Maritim Resources Berhad and is an Independent Non-Executive Director of Malaysian Bulk Carriers Berhad.

TAING KIM HWA
Managing Director

Taing Kim Hwa, aged 55, was appointed to the Board on 14 January 1981 and is one of the founders of the Company. He graduated in 1978 from Sunderland Polytechnic (now known as the University of Sunderland), United Kingdom, with a Bachelor of Arts (Hons) degree in Economics.

Mr Taing brings to the Group his entrepreneurship and is the key driver of the Group's growth and success. He is responsible for setting the overall vision and strategy of the Group and is instrumental in transforming the Company from its early days as a private company specializing in earthworks to its present form with interests in engineering, construction, property development, property investment and management. Since year 2000, the Group has been reporting significant increases in revenue and profitability. The Group's turnover grew from RM450 million in 2000 to RM3.80 billion in 2008.

Under his stewardship, the Group has also expanded its geographical presence by venturing to the Middle East, India and more recently, Vietnam.

Mr. Taing is a member of the Options Committee and acts as an advisor to the Management Committee. He is a major shareholder of the Company through his interest in WCT Capital Sdn Bhd.

Profiles of Directors (cont'd)

GOH CHIN LIONG
Deputy Managing Director

Goh Chin Liong, aged 49, was appointed to the Board on 12 August 1996. A civil engineer by training, he graduated from the University of Malaya with a Bachelor in Engineering (Hons) Civil and has over 20 years of experience in the construction industry.

Mr Goh started his career as a project engineer/ manager and was involved in several construction projects before joining WCT Berhad in 1991 as a senior project manager. He became General Manager (Construction Division) in 1995 with expanded responsibilities for the Group's overall construction activities. He was promoted to Executive Director in 1996 and became Deputy Managing Director in July 2001, responsible for the Group's strategic business direction, operational performance, strategic management of the Group's resources as well as project cost efficiency and profitability.

Under Mr Goh's direction and supported by a team of dedicated management and staff, the Group succeeded in securing substantial construction contracts both locally and overseas. The Group counts amongst its notable completed projects, the Sepang International F1 Circuit (Malaysia), the Guthrie Corridor Expressway (Malaysia), LEKAS Highway (Kajang South to Pajam, Malaysia), several Federal Government office complexes in Putrajaya (Malaysia), the Bahrain International F1 Circuit and the Bahrain City Centre shopping mall. The major construction projects currently being undertaken by the Group include the Kota Kinabalu International Airport (Malaysia), Bakun Hydroelectric Dam (Malaysia), two Federal Government office buildings in Putrajaya (Malaysia) and an iconic project each in Doha (Qatar) and Abu Dhabi. The Group has also made forays into the property development sector in Vietnam with the award of an Investment Certificate in January 2008 for a mixed development project in Ho Chi Minh City.

Mr Goh chairs the Management Committee and is a member of the Options Committee.

WONG SEWE WING *
Executive Director

Wong Sewe Wing, aged 61, is one of the founders of the Company and has been a director since its incorporation on 14 January 1981.

He brings to the Group more than 30 years of extensive experience in construction site management and operation, particularly in the areas of construction resources management and project implementation. He guides the management on matters relating to project site mobilization and has overall responsibility for heavy equipment and related human resource requirements of the Group's construction operations.

He has been actively involved in all infrastructure projects and has in-depth knowledge and vast experience in the planning and execution of all major earthworks projects of the Group. Some of these projects include the bulk earthworks of the Kuala Lumpur International Airport, Sepang International F1 Circuit, Guthrie Corridor Expressway and Bakun Hydroelectric Dam.

Mr. Wong is a major shareholder of the Company through his interest in WCT Capital Sdn Bhd. He is a member of the Management Committee.

Profiles of Directors (cont'd)

CHOE KAI KEONG
Executive Director

Choe Kai Keong, aged 58, was appointed to the Board on 6 September 2000. He graduated from Sunderland Polytechnic (now known as the University of Sunderland), United Kingdom, in 1979 with a Bachelor of Science in Civil Engineering. Mr Choe has over twenty nine years of experience in engineering consultancy, project management and property development.

He joined WCT Group as a Project Manager in 1990 and progressed through a range of senior management positions culminating in his appointment as Executive Director in 2000. His responsibility over the Group's construction business was later extended to include the property development portfolio in 1998 in line with the Group's business diversification. He became Executive Director of WCT Land Berhad ("WCTL", now known as WCT Land Sdn Bhd), the Group's property development subsidiary, upon its listing on Bursa Malaysia Securities Berhad in 2004, but remained as a Non-Executive Director of WCT Berhad. When WCTL was subsequently privatized on 12 March 2008, Mr Choe was re-designated as Executive Director of WCT Berhad effective 14 April 2008, focusing on the operations of the Group's Property Division.

Mr. Choe is a member of the Management Committee.

LIANG KAI CHONG
Executive Director

Liang Kai Chong, aged 47, was appointed to the Board on 1 January 2004. He graduated in 1986 with a Bachelor of Science (Honours) in Mathematics from the University of Malaya and holds a postgraduate Diploma in Quantity Surveying from the Institution of Surveyors, Malaysia.

He is a member of the Institution of Surveyors, Malaysia and the Royal Institution of Chartered Surveyor, United Kingdom. He is a Council Member of the Master Builders Association of Malaysia, the collective and recognized voice of the construction industry in Malaysia.

Mr Liang has over twenty three years of experience in the construction industry. He spent his early career with MTD Group, a prominent Malaysian construction group, where he was involved in the negotiation, tendering and construction of major highway projects in Malaysia, notably, the Kuala Lumpur-Karak Toll Highway, the Kuala Kangsar-Grik Highway, the Middle Ring Road II Project and the East-West Highway Package 2 Project. He was its Head of Contracts before he left to join WCT Group in 1997 where he progressed from Head of Contracts Department to General Manager in 2001, principally in charge of contracts procurement and administration.

As Executive Director, he is responsible for the Group's Engineering & Construction Division operations, for both local and overseas projects, ranging from contracts procurement to project implementation and execution. He sits on the Executive Committees of all construction projects.

He is a member of the Management Committee.

Notes:
(1) All the Directors of the Company are Malaysian.
(2) None of the Directors have any family relationship with any Director and/or major shareholder of the Company.
(3) None of the Directors have any:-
  (i) Conflict of interest with the Company; or
  (ii) Convictions for offences within the past 10 years other than traffic offences.
* Denotes Directors who will be retiring at the forthcoming Annual General Meeting in accordance with the Company's Articles of Association and being eligible, are offering themselves for re-election.

Profiles of Directors (cont'd)

LOH SIEW CHOH
Executive Director

Loh Siew Choh, aged 52, was appointed to the Board on 23 June 2006. He is a Fellow of the Chartered Association of Certified Accountants, United Kingdom and a member of the Malaysian Institute of Accountants.

His 15-year career at the former Renong Berhad Group of Companies ("Renong Group"), started in 1982, spanned numerous functions including financial control, international project fund raising, business development, contracts negotiation and procurement, privatization of mega projects, corporate planning and restructuring as well as operational management. He held senior management positions in the listed companies of the Renong Group including as Chief Operating Officer of both United Engineers Berhad and Faber Group Berhad and as Managing Director of Crest Petroleum Berhad.

Prior to joining WCT Berhad, he was the Joint Managing Director cum Chief Executive Officer of Ipmuda Berhad, responsible for the reconstruction and restoration of its businesses. As Executive Director of WCT Berhad, he is responsible for the Group's domestic and international business development, in addition to his responsibility over the Group's corporate and financial functions.

He is a member of the Management Committee.

CHEAH HON KUEN *
Independent Non-Executive Director

Cheah Hon Kuen, aged 52, was appointed to the Board on 26th November, 1994. He graduated from the University of Singapore with a Bachelor of Science in 1980 and holds a Diploma in Education from the National University of Singapore. He is a member of the Institute of Electrical and Electronic Engineers Inc., USA (IEEE).

Upon graduation, Mr Cheah worked as a system manager with a naval architect in Singapore designing shipbuilding and structural engineering softwares. In 1982, he ventured into computer software, hardware and IT training businesses and eventually listed the IT and training company on the Stock Exchange of Singapore in 1993.

Upon his return to Malaysia, he joined WCT Berhad as an independent non-executive director and serves as a member on its Audit Committee. Mr Cheah is currently the chairman of both the Audit Committee and the Options Committee, and is a member of the Nomination & Remuneration Committee.

CHOO TAK WOH *
Independent Non-Executive Director

Choo Tak Woh, aged 58, was appointed to the Board on 16 December 1999. He completed his professional accountancy education in 1977 at Luton College of Higher Education, Bedfordshire, (now known as University of Bedfordshire), United Kingdom. He was admitted as a Fellow of the Institute of Chartered Certified Accountants (United Kingdom) in 1986 and is currently a member of the Malaysian Institute of Accountants.

Mr Choo started his career in finance and accounting when he joined the New Straits Times Press ("NSTP") Group, a media and publishing group, as an assistant accountant. During his 27-year career with the NSTP Group, he held senior management positions in several functions including accounting, corporate finance and general management.

He is a member of the Audit Committee and the Nomination & Remuneration Committee.

On behalf of the Board of Directors of WCT Berhad ("WCT"), I am pleased to present the Annual Report and Audited Financial Statements of the Group and the Company for the year ended 31 December 2008.

Chairman's Statement

OPERATING ENVIRONMENT OVERVIEW

From the global perspective, the past year has been a year full of challenges, affecting people from all walks of life. It witnessed the turbulence that hit the US financial system and the repercussions that followed were felt worldwide, including in Malaysia through its trade linkages. The financial tsunami had bankrupted and caused the collapse of several long-established financial institutions and corporate giants. The spiralling crude oil price hit its peak at US$147 per barrel in July 2008 before plummeting to its low of US$34 per barrel in February 2009. It has since been averaging around US$50 per barrel.

According to the International Monetary Fund ("IMF"), on an average annual basis, global growth has moderated from about 5% in 2007 to 3.9% last year. The growth was contributed mainly by the emerging and developing economies since most of the advanced economies were already in recession last year.

On the home front, Bank Negara Malaysia reported that the Malaysian economy grew by 4.6% in 2008 (2007: 6.3%), supported mainly by the robust domestic demand. The rapidly rising fuel price and its accompanying effect on all goods and services caused Malaysia's inflation to peak at 8.5% in July 2008. It eased to 5.7% in November 2008 following a reduction in domestic fuel prices. The inflation rate was 3.5% in March 2009 as reported by the Statistics Department.

The local construction and property development industries operated in a difficult and uncertain environment last year. The prices of major building materials such as steel and cement increased unpredictably, giving rise to severe supply issues. Against this bleak scenario and coupled with the unstable prices, builders were cautious in starting new projects while developers found it challenging trying to determine the selling price of houses.

Kota Kinabalu International Airport, Malaysia

Chairman's Statement (cont'd)

FINANCIAL HIGHLIGHTS

Amidst the volatility and unpredictability of the past year, the Group had to contend with the spiralling cost of all essential services, raw materials and fuel which had risen to unprecedented levels. Against this adverse economic and financial backdrop, the Group managed to achieve revenue of approximately RM3.8 billion, an increase of 36% over its previous year's revenue of RM2.78 billion. It recorded a profit after tax of RM102 million, a decrease of 31% over its previous year's profit after tax of RM148 million.

Bahrain City Centre

For the year under review, the Construction and Property Development segments contributed approximately RM3.50 billion (92%) and RM192 million (5%) respectively to the Group's revenue in 2008. About 68% of the Group's revenue was contributed by its construction operations in the Gulf Cooperation Council ("GCC") countries, mainly in Bahrain, Qatar, Abu Dhabi and Dubai.

OUTLOOK

The width and depth of the current economic crisis has led the IMF to declare it the "Great Recession". It has revised downwards the global growth rate for 2009, forecasting a negative growth of 1.3% this year.

The drop in demand from the major importing countries has resulted in a sharp decline of 27.8% in Malaysia's exports in January 2009, severely affecting both the primary and manufacturing industries. In an effort to boost domestic demand, avert a contraction in liquidity and to ease the hardship faced by the people, the Malaysian government has announced several measures in November 2008 and March 2009. To improve liquidity and reduce the cost of funds, Bank Negara Malaysia reduced the Overnight Policy Rate (OPR) by a total of 150 basis points between November 2008 and February 2009 while the statutory reserve requirement (SRR) was cut from 4% to 3.5% with effect from December 2008. To keep the economy going, the Malaysian government has unveiled two stimulus packages in November 2008 (RM7 billion) and March 2009 (RM60 billion) totalling almost 10% of the GDP.

Malaysia's GDP for 2009 has been revised from 3.5% to between -1% to 1%. With the softening economy, the domestic inflation rate is expected to subside further, ranging from 1.5% to 2% in 2009 (2008: 5.4%).

The looming recession and rising unemployment have affected both business and consumer sentiments. With fewer new sizeable project roll-outs, the local construction sector's growth in the year ahead is expected to remain low. Nevertheless, the stimulus spending by the Malaysian government is expected to boost growth in the construction sector. Demand in the office sector will be affected by the slow down in business activities in 2009 while the weak consumer sentiments will dampen demand for retail properties. Under such circumstances, developers will be offering competitive packages to attract purchasers.

"Julia"- Bandar Bukit Tinggi 2, Klang

In the face of a weakening domestic and global economy, the Group needs to be resilient and exercise prudence in managing its resources to tide over this economic downturn.

Chairman's Statement (cont'd)

UiTM Campus, Puncak Alam, Selangor, Malaysia

Toll Plaza at LEKAS Highway, Malaysia

CORPORATE EXERCISES AND PROPOSALS

The following are corporate activities undertaken in 2008 since the last Annual Report:-

(a) The Company changed its name to WCT Berhad on 5 June 2008 to better reflect its growing reputation in the international arena, enhance its image and to reflect the greater diversity of the Group's businesses.

(b) The Group entered into a conditional Share Sale Agreement with the Employees Provident Fund Board ("EPF") on 29 September 2008 whereby EPF became a strategic partner in the Group's development project known as the Paradigm, located in Kelana Jaya, Petaling Jaya. This related party transaction with EPF was approved by the shareholders at the Extraordinary General Meeting held on 9 April 2009.

DIVIDENDS

The Company paid an interim dividend of 5.0 sen per ordinary share of RM0.50 each less 26% tax on 18 September 2008 in respect of the year ended 31 December 2008. The Board of Directors is recommending a final dividend of 4.5 sen per ordinary share of RM0.50 each less 25% tax. If approved at the forthcoming Annual General Meeting, the total dividend payout for the financial year 2008 will be 9.5 sen per ordinary share of RM0.50 each, less tax (2007: 8.25 sen per ordinary share of RM0.50 each, less tax).

DIRECTORATE

Mr Chua Siow Leng, an Executive Director of the Company, has retired on 1 August 2008 after serving the Group for more than 12 years. On behalf of the Board, I would like to extend our sincere gratitude to Mr Chua for his dedication and contribution to the Group.

ACKNOWLEDGEMENT & APPRECIATION

On behalf of the Board of Directors, I would like to express my sincere gratitude to our customers, shareholders and business partners for their continuous support and confidence in the Group throughout the year. I would also like to convey my appreciation to the regulatory and government authorities for their invaluable assistance and guidance. Last but not least, to the management and staff, my heartfelt thanks for your dedication and commitment to WCT Group.

Dato' Capt. Ahmad Sufian
Chairman

Date: 28 April 2009

Dear Valued Shareholders,

For the year 2008, WCT Group registered a consolidated revenue of RM3.8 billion while recording operating and net profits of RM182 million and RM102 million respectively.

The Engineering and Construction Division continued to be the main thrust of the Group's business activities. It contributed RM3.5 billion or 92% to the Group's consolidated revenue. In terms of operating profits, it achieved RM82 million or 45% of the total operating profits of the Group.

Meanwhile, the Group's Property Division also fared commendably with revenue of RM221 million or 5.8% of the Group's consolidated revenue. Operating profit was RM97 million or 53% of the Group's total operating profits

Managing Director's Letter
to Shareholders

ENGINEERING & CONSTRUCTION

In most part of 2008, global construction faced a challenging period of rising prices for key materials and supply constraints amidst stronger demands from fast growing economies in China and India. Towards the end of the year, although cost of construction materials decreased substantially, contraction of GDP growth in the world economy and concerns over the global financial system has limited infrastructure spending in markets we operate in.

AEON Shopping Mall, Johor Bahru

AEON Shopping Mall, Melaka - in progress

Despite a volatile year, WCT successfully secured new construction contracts in the Middle East and Malaysia totalling RM3.2 billion with WCT's portion amounting to RM2.1 billion. We continued to secure the confidence of ALDAR Properties PJSC with the award of additional works at the Abu Dhabi F1 Circuit and the landing of the high profile Yas Marina Royal Yacht Club contract, which will host the royals of UAE during the inaugural Formula One race in November 2009. In Malaysia, the AEON Shopping Mall Melaka is the third of such contract awarded by AEON after Bukit Tinggi in Selangor and Bukit Indah in Iskandar Johor.

Project Description (2008)	Location	Contract Value (RM million)
Additional Works at the Abu Dhabi F1 Circuit	Abu Dhabi, U.A.E.	2,000
AEON Shopping Mall Melaka	Melaka, Malaysia	288
Yas Marina Royal Yacht Club	Abu Dhabi, U.A.E.	235
The Paradigm @ Petaling Jaya	Selangor, Malaysia	792

Construction activities in Malaysia are expected to expand for the rest of the year after the recent stimulus packages announced by the Government. The commitment towards greater transparency and efficiency by the Government will elevate the opportunities offered to competent contractors like WCT. As one of the nation's most prominent builders, WCT will remain focused on the domestic market and will continue to contribute towards the development of Malaysia.

In the Gulf, the lower national budget surpluses due to weaker oil revenue will not deter the prospect of the region. WCT has been in the Gulf for 7 years with our first project being the prestigious Bahrain International Circuit. WCT's track record in the region will be further enhanced once we deliver the RM3.3 Billion Abu Dhabi F1 Circuit later part of the year. The ability to deliver a world class project in a timely manner is key to building a solid foundation in order to be successful in securing more projects in the future. Besides the Gulf States, we are poised to enter the construction market of Vietnam once we receive the necessary approvals.

F1 Circuit, Abu Dhabi

Managing Director's Letter
to Shareholders (cont'd)

PROPERTY

In 2008, the retail market witnessed high inflation, political uncertainties and global issues which adversely affected consumer and retail sentiments. The large supply of retail space which came on stream last year led to a fiercely competitive retail market. The rising unemployment will hurt retail spending and domestic consumption. Nevertheless, the longer term outlook for retail is still good with well-positioned retail centres in prime locations continuing to perform well.

The office sector performed favourably in 2008 with occupancy rate at 84%. The weak business sentiments compounded by the large supply of office space expected to come on stream in 2009 and 2010 will create downward pressure on prices.

On the demand side, the property market started the past year on a positive note supported mainly by strong foreign buying which sent property prices and rentals to new highs. This trend tapered off in the fourth quarter when sentiments turned negative in the face of the global financial and economic crises.

Housing developers, on the other hand, had to withhold new launches as the run-away costs of all key construction materials made it extremely difficult to set the prices for their properties. The softening market will see developers rolling out innovative packages to attract homebuyers.

The Group's land acquisition will continue to focus in Klang Valley's growth corridor with good infrastructure. Development will concentrate on properties in the middle and upper ranges. The Group recognizes the current soft property market is an opportune time to source for development land at more realistic prices.

Bandar Bukit Tinggi I, II and Parklands

Demand for our properties in the three townships remained stable in 2008, registering sales totaling RM119 million. This demand stability is due to Klang Valley's favourable demographics and the strong catalyst provided by the presence of the Bukit Tinggi Shopping Centre and various facilities and amenities. The recent completion of the BBT office towers, the retail boulevard and the on-going construction of the Hotel will further complement the existing amenities in this township

With most of the residential segments of the townships of Bandar Bukit Tinggi I and II having been developed, the remaining land is mainly zoned for commercial purposes. The Group is currently focusing its township development on Bandar Parklands.

"ASPEN" - Bandar Parklands, Klang

d'Banyan Residency @ Sutera

d'Banyan Residency, with the sea, golf course and mountains forming a scenic backdrop, represents the Group's foray into the high end residential development in Kota Kinabalu, Sabah. It was officially launched in September 2008, with two opulent show units opened for public viewing. Innovative packages with attractive incentives are being offered to both local and foreign buyers. Sales registered to date amounting to RM60 million draws comfort despite the softer property market.

d'Banyan Residency, Kota Kinabalu, Sabah

BBT One Office Towers, low-rise Boulevard and Business Class Hotel

The Group aims to transform the larger Bukit Tinggi township into a lively community with a good mix of social and commercial activities. Quality amenities with modern designs have been built to cater to the changing lifestyles and expectations.

The skyline of the southern part of Klang city took on a new look with the completion of the BBT One Office Towers and the Boulevard which added further vibrancy to the township. The office towers were built to meet the requirements of companies and organizations and provide them, especially shipping companies, financial institutions and government agencies, with a modern corporate office environment complete with security.

BBT One Office Towers, Klang

The low-rise retail Boulevard is in response to the increasing popularity of al fresco casual dining and street mall shopping.

The business class hotel which we are developing in Bandar Bukit Tinggi is currently under construction. When completed in late 2010, it will have 250 rooms and a ballroom with a seating capacity for 1,000 people, offering residents in this part of the Klang Valley a comfortable and convenient banquet venue. Guests of the hotel will also enjoy complementing facilities such as the business centre, the lobby lounge cum café, meeting and seminar rooms, swimming pool, gym and ample car parks.

The Boulevard, Bandar Bukit Tinggi, Klang

The Paradigm @ Petaling Jaya

The Paradigm is an integrated mixed development sitting on 12.9 acres along the LDP Expressway in Kelana Jaya, Petaling Jaya. When completed, it will have a shopping mall, four (4) blocks of prime offices and a basement car park. We have obtained the planning approvals and the development order for the project. Piling and basement works are in progress.

Upon shareholders' approval on 9 April 2009, the Employees Provident Fund Board ("EPF") became a strategic partner in the development of the Paradigm Project. As announced on 29 September 2008, the Group entered into the following arrangements with EPF last year to raise funds to part-finance the Project:-

(i) Proposed Disposal to EPF of 48 million ordinary shares of RM1.00 each in Jelas Puri Sdn Bhd ("JPSB") representing 30% of the enlarged issued and paid-up share capital of JPSB for a total cash consideration of RM87.36 million. JPSB is the project owner and an indirect wholly-owned subsidiary of WCT.

(ii) Proposed Issuance by JPSB, and to be subscribed in full by EPF, of up to RM390 million nominal value 5-year 6% p.a. redeemable secured loan stocks ("RSLS") at 100% nominal value.

Since EPF is a major shareholder of WCT, shareholders' approval was duly sought and obtained for the related party transaction in compliance with the Listing Requirements.

Platinum Plaza, Ho Chi Minh City, Vietnam

Last year, Vietnam's property market was also hit by the current world financial and economic turmoil. Property prices, particularly for high-end products, fell in the second half of 2008. For this year, it is expected to consolidate further with demand remaining firm for medium cost housing, grade A offices and modern shopping malls.

The Group's 67% subsidiary, BSC-WCT Company Limited, holds the Investment Certificate for the Platinum Plaza which was awarded by the People's Committee of Ho Chi Minh City in January 2008. It sits on 9.0 hectares or approximately 22.2 acres of land located in the District of Binh Chanh in Ho Chi Minh City. It fronts the Nguyen Van Linh Road, a brand new 10 lane East West Highway, which allows direct access to the north and south via the existing Highway 1A.

Managing Director's Letter
to Shareholders (cont'd)

The proposed development comprises a shopping mall, 2 office towers, a 4-star hotel, a SOHO block and car park. The total gross floor area is about 450,000 square metres or 4.8 million square feet. The shopping mall is expected to be the largest in Vietnam when completed. The project will be developed in 3 phases over a 4-year period after the land has been resettled.

The design of the shopping mall under Phase 1 is on-going while land compensation and resettlement are the main activities in 2009. WCT Engineering Vietnam Company Limited, a wholly-owned subsidiary, will be fully involved in the construction of the Platinum Plaza development when the land is fully resettled and compensated.

PROPERTY INVESTMENT

Bukit Tinggi Shopping Centre, Klang

The Paradigm @ Petaling Jaya

The Group's first investment property, Bukit Tinggi Shopping Centre with a net lettable area of 1.0 million sq ft and 5,000 car parks opened on 24 November 2007. The shopping centre is leased to AEON Jusco for an initial term of 10 years with an option to renew the lease for another 3 terms of 5 years each with lease rental reviewable every 3 years. It provides a steady recurring income base to the Group.

The shopping mall and the car parks at The Paradigm@ Petaling Jaya are under construction and expected to be completed by June 2011 and will add to our recurring income base. In addition, a business hotel within the Bukit Tinggi township is also under development. In Ho Chi Minh City, Vietnam, the Group has also planned to retain part of the office and the shopping mall at the Platinum Plaza mixed-commercial development.

TOLL CONCESSIONS

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

MOVING FORWARD STRATEGIES

To brace ourselves for the economic slowdown, the Group will continue to adopt strict financial discipline and conservative approach in doing business. We will continue to be selective and concentrate on projects that fits our profile and strengths. A softening business environment also calls for great care in our cost control and cash flow management.

WCT will continue to explore construction opportunities overseas, particularly in the Gulf States, while maintaining our base in Malaysia. The Group will also seek out other related business opportunities in the global market to improve our operational and financial performance.

With the continued support of all stakeholders, my team and I are confident that the Group is able to weather the current downturn and prevail on an even stronger foothold.

Taing Kim Hwa
Managing Director

28 April 2009

Management Committee

Goh Chin Liong
Deputy Managing Director & Chairman of the Management Committee

Wong Sewe Wing
Executive Director
– Operations

Choe Kai Keong
Executive Director
– Property

Liang Kai Chong
Executive Director
– Engineering & Construction

Loh Siew Choh
Executive Director
– Corporate & Finance

Leong Yeon Thoong
Regional Director (Middle East)
- Engineering & Construction

Ng Eng Keat
Regional Director (South East Asia)
- Engineering & Construction

Yong Kiang Keen
General Manager (Overseas Operations)
- Property

Young Pey Feei
General Manager (Local Operations)
- Property

Khor Loke Yew
Head- Legal Affairs

Chong Kian Fah
Chief Accountant

Wong Lim Fong
Senior Manager
– Human Resource & Administration

Wong Pooi Cheong
Company Secretary

Senior Management
- Engineering & Construction Division
(Directors of WCT Construction Sdn Bhd)

Leong Yeon Thoong
Regional Director (Middle East)

Ng Eng Keat
Regional Director (South East Asia)

Mohd Roslan bin Sarip
Project Director

Saw Aik Hock
Project Director

James Andrew Chai
Project Director

Lim Swee Hock
Senior Project Manager

Ong Ka Thiam
Head of Technical

Senior Management
- Property Division

Yong Kiang Keen
General Manager
– Overseas Operations

Goh Tong Kiat
Project Director

Stewart Tew Peng Eng
General Manager
– Sales & Marketing

Young Pey Feei
General Manager
– Local Operations

Corporate Social Responsibility Statement

WCT's commitment towards Corporate Social Responsibility ("CSR") initiatives is expressed in our Mission Statement. We strongly believe in harmonising our CSR efforts with our businesses and are ever mindful of our social obligations towards the marketplace, environment, communities and employees.

Towards achieving our CSR objectives, WCT has internalised in the businesses, elements to ensure delivery of long-term sustainable value to the society at large, specifically its social, economic and environmental well-being.

MARKETPLACE

The Group recognises the importance of market perception and confidence on the sustainability of our businesses. As such, various standards, policies, best practices and procedures on quality, health and safety, good corporate governance and stakeholder engagement have been adopted. Details of the Group's corporate governance and investor relations practices are set out in the Statement on Corporate Governance.

The Group's adopted best business ethics and values ultimately ensure customer satisfaction and optimum returns to shareholders. In line with these objectives, the Group diligently pursues such best practices as the timely delivery of quality services and products.

LEKAS Highway – timely completion and delivery of quality works

Townships developed by WCT are vibrant living environments

WCT continuously evaluates and develops work processes and quality management systems conforming to MS ISO 9001:2000 standards which are subject to annual independent audits. In addition, major stakeholders such as sub-contractors and suppliers are expected to conform to the relevant standards practised by the Group.

As a responsible developer, WCT develops townships which are holistic environments for our customers and their loved ones to live, work and play by offering a balanced integration of residential and commercial developments. In planning our townships, besides quality and aesthetic considerations, emphasis is placed on accessibility and the availability of parks, playgrounds and facilities for leisure and sporting activities. With this objective in mind, the townships developed by WCT are vibrant communities complete with schools, shopping centres, well-maintained parks, playgrounds, aesthetic landscaping and community centres.

ENVIRONMENT

The Group is mindful of the direct impact our businesses have on the environment. Various environmental best practices and preservation initiatives are continually being introduced and carried out at our project sites. Through the adoption of internationally recognized construction methodology and practices, the Group continues to operate in a responsible manner by optimizing our resources and reducing the generation of waste.

Our construction plants and machineries are stringently maintained to ensure minimal emission of pollution and smoke. They undergo annual assessment and independent audit to ensure conformation to the standards of MS ISO 9001:2000.

To promote further awareness towards responsible environmental practices among our people, the Group organised the following trainings last year:-

(i) Scheduled Wastes Management for Construction Industry;
(ii) Environmental Pollution Control for Construction Industry;
(iii) Environmental Legislation; and
(iv) CIDB Green Card Training.

Routine visits to monitor efficiency and quality control at project sites

Corporate Social Responsibility Statement (cont'd)

WORKPLACE

WCT recognizes that our people are our key assets and acknowledges their invaluable contribution to the Group's growth. We uphold basic human rights and support workplace diversity. The Group practises non-prejudicial policies in respect of any race, gender, age or minorities.

Training programmes are organised to upgrade employees' skills and knowledge

Human Capital Development

The Group organises various trainings, seminars and workshops to upgrade and enhance the skills and knowledge of our employees. The training programmes last year ranged from job-related technical trainings to soft skills, management and administrative courses, broadly categorised as follows:-

(i) Quality and Environment : Internal Quality Audit Training, Embracing TQM in Construction, ESH Legal Compliance & Environmentally Friendly Construction Training
(ii) Project Management : Managing Projects Successfully, Construction Law and Contracts, Arbitration.
(iii) Technical Skills : Concrete Pump Technology, Scaffolding Basic Training, Taxation, Financial Reporting Standards.
(iv) Management : Performance Management, Global Management and Leadership Skills, Blue Ocean Strategy, Leadership and Governance, Risk Management and Remedies, Improving Risk Management.
(v) Administrative : Induction for new employees, computer skills, business writing and communication, ergonomic in the office.

Safety and Health

The safety and health of our people are of paramount importance to us. Besides having appropriate plans to deal with emergencies, concerted effort is made to prevent accidents and injuries at our workplace. To create a fair working environment for our employees, the following procedures have been adopted and diligently enforced:-

(i) At every project site, the Project Team will ensure that a Project Safety Plan is in place before the commencement of any construction work to ensure that the highest standards of occupational safety and health are maintained.

(ii) The Group's safety and health systems and practices for both corporate offices and project sites are annually assessed based on the OHSAS 18001: 2007 Standards.

In addition to placing sign boards and notices at strategic locations throughout all project sites, safety and health inspections are also carried out on a weekly basis. Our diligence in pursuing workplace safety and health is attested by the successful achievement of 5.0 million man-hours without Lost-Time-Injuries (LTI) at our Abu Dhabi Formula One Project site and was named Contractor of the Month in June 2008. Our joint-venture project at New Doha International Airport achieved 13.0 million and 15.0 million accident-free man-hours in November 2008 and February 2009 respectively.

In the past year, various trainings and awareness programmes were held to inculcate a conscientious attitude and increase awareness towards safety and health among our employees:-

(i) Occupational Health & Safety (OHSAS 18001:2007) – Awareness and Internal Audit Trainings;
(ii) Legal and other requirements on safety: Occupational Safety & Health Act, 1994 and Factory & Machinery Act, 1967;
(iii) First Aid Trainings;
(iv) Emergency Preparedness – annual fire drills at both corporate and project sites;
(v) Talks on Fire Safety and Prevention; and
(vi) Authorised Gas Testers Training (toxic gases and fumes).

Fire Prevention training given by the local Fire Department to educate staff on fire-related safety issues

Corporate Social Responsibility Statement (cont'd)

Work-Life Balance

To promote work-life balance and a healthy lifestyle among our employees, leisure and recreational facilities and activities such as gym facilities, yoga, line dancing, badminton and futsal are made available to the employees. Our people are encouraged to engage themselves in various social, sporting and community activities.

Staff keeping fit with the gym facilities available at the Group's Middle East Regional Office, Abu Dhabi

Employee Welfare

The Group bears the cost of outpatient medical attention, dental and annual physical examination fees of our staff. Employees are insured under the Group's Hospitalisation and Surgical Scheme for hospitalisation and critical illnesses and are also covered by the Group's personal accident insurance scheme.

Ground-Breaking Ceremony - WCT donated land and cash for the new school premises of SRJK Wu Teck (C), Bandar Parklands, Klang

COMMUNITY

WCT has been actively pursuing socially responsible practices especially in the areas relating to social causes, community services, sports and education.

Residents of townships developed by the Group enjoy and appreciate the Group's efforts in promoting neighbourliness through the various festivals, competitions and sporting events organized throughout the year.

Education

The Group contributed a piece of land measuring about 3.5 acres and donated a sum of RM1.0 million towards the construction of the new premises for the primary school, SRJK (C) Wu Teck, in Bandar Parklands, Klang, Malaysia. WCT lends its support in various funds-raising activities for the school building fund. A ground-breaking ceremony was held in February 2008.

Industrial Trainings

With the objective of equipping students with the necessary working skills and knowledge, the Group has been taking in students from various universities and polytechnics to undergo practical trainings with durations ranging from 3 to 6 months. Students who successfully completed the trainings are presented with certificates of completion. Last year, five (5) students from the following institutions completed their respective trainings with the Group:-

- Politeknik Sultan Salahuddin Abdul Aziz Shah (4 students); and
- Universiti Industri Selangor (1 student).

Sports

To promote healthy activities among the youths, WCT continues its support of the AND1 Basketball Challenge by being its venue sponsor for the event held in June 2008 at Bandar Bukit Tinggi, Klang, Malaysia.

Corporate Social Responsibility Statement (cont'd)

Donations and Contributions

WCT played its role as a responsible corporate citizen by donating a double-storey corner shop lot in Bandar Bukit Tinggi, Klang, for use as a police station. It was officially opened in January 2009.

The Group's charitable donations and contributions to social causes and community services in 2008 totalled approximately RM935,000.

Official Hand-Over and Opening Ceremony of the Police Station donated by WCT

Community & Social Activities

Throughout 2008, to foster neighbourliness, the Group organized several events and activities for members of the public and residents of Bandar Bukit Tinggi Township ("BBT") which comprises BBT1, BBT2 and Bandar Parklands (BBT3), Klang:-

April	-	Prosperity Fiesta 1 - Lion Dance and Singing Performance
April	-	Prosperity Fiesta 2 - Children's colouring competitions and magic shows.
June	-	WCT is the core sponsor of the Kiwanis Fund-Raising Charity event to raise funds for the Down Syndrome Centre run by Kiwanis Club, Klang, Malaysia.
October	-	Hari Raya Celebration – Cultural Dance Performance, Family & Children's Games, Magician & Clown, Karaoke Fun with Prizes, Lucky Draws and Food for all visitors.
December	-	BBT Community Run 2008, jointly organised with the Residents Association of Bandar Bukit Tinggi 1 and 2, Klang, Malaysia.

Statement on Corporate Governance

The Board of Directors of WCT Berhad (formerly known as WCT Engineering Berhad) ("the Company") is committed and continue to comply with the principles and best practices set out in Parts 1 and 2 of the Malaysian Code on Corporate Governance ("the Code") respectively to ensure that the highest standards of corporate governance are practised throughout the Group.

This statement, approved by the Board via a resolution adopted on 28 April 2009, outlines how the Group has applied the principles laid down in the Code. Except for matters specifically identified, the Board of Directors has complied with the best practices set out in the Code.

DIRECTORS

The Board

The Group is led by a sound and experienced Board which plays an important role in the stewardship of its direction and operations. It focuses mainly on strategies, financial performance and critical business issues, including the following specific areas to ensure that the governance of the Group is firmly in its hands:-

- Business plan and direction of the Group
- The Group strategic action plans
- Financial performance and key performance indicators
- Acquisition and divestment policy
- Major investment decisions
- Internal control system

The Board also has a well-defined framework on the various categories of matters that require the Board's approval, endorsement or notation as the case may be. The Board is ably supported by the Management Committee, whose responsibility is to implement the Group's strategy. The Statement on Internal Control as disclosed in this Annual Report sets out the membership, functions, roles and responsibilities of the Management Committee.

The Board meets at least four (4) times a year, with additional meetings to be convened as necessary. During the financial year ended 31 December 2008, four (4) meetings were held. Details of the attendance of the Directors at the Board Meetings are as follows:

Directors	No. of meetings attended
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	4/4
Taing Kim Hwa	4/4
Goh Chin Liong	4/4
Wong Sewe Wing	4/4
Choe Kai Keong	4/4
Liang Kai Chong	4/4
Loh Siew Choh	4/4
Cheah Hon Kuen	4/4
Choo Tak Woh	4/4

In the intervals between Board meetings, for exceptional matters requiring urgent Board decisions, Board approvals are sought via circular resolutions which are attached with sufficient and relevant information required for an informed decision to be made. Where a potential conflict arises in the Group's investment, projects or any transactions involving Director's interest, such Director is required to declare his interest and abstain from further discussion and the decision making process.

Board Balance

As at 31 December 2008, the Board comprises nine (9) members, six (6) of whom are Executive Directors and the remaining three (3) are Independent Non-Executive Directors. Each Director's brief profile is presented under the section titled "Profiles of Directors" of this Annual Report.

Statement on Corporate Governance
(cont'd)

There is a clear division of responsibility between the Chairman and the Managing Director of the Group in order to provide for balance of power and authority. The Chairman is an Independent Non-Executive Director and has not held any executive positions in the Group. He is responsible for ensuring the Board's effectiveness and conduct as well as facilitating constructive deliberation of all matters presented.

The Managing Director has overall responsibility for the operating units, organisational effectiveness and implementation of the Board's policies and decisions.

Although all the Executive Directors have an equal responsibility for the Group's operations, the presence of the Independent Non-Executive Directors on the Board fulfils an important role in ensuring corporate accountability, as they provide unbiased and independent views, advice, opinions and judgments to take into account the interests, not only of the Group but also of the shareholders, employees, customers, suppliers and the many communities in which the Group conducts its business. The Board is satisfied that the current Board composition fairly reflects the interest of the minority shareholders of the Company.

The Independent Non-Executive Directors are actively involved in the various Board Committees and visit the Group's project sites both local and overseas in getting a first hand assessment. They provide broader views, independent assessments and opinions on management proposals sponsored by the Executive Directors.

In view of the current composition of the Board, particularly the clear and strong independent element and the separation of the roles between the Chairman and Managing Director, the Board does not consider it necessary to nominate a Senior Independent Non-Executive Director to whom concerns may be conveyed.

The Board has reviewed and is satisfied that its current size and composition provides an effective blend of entrepreneurship, business and professional expertise in general management, finance and technical areas of the industries the Group is involved in. The mixture of skills and experience is vital for the continued success and direction of the Group. A key strength of this structure has been the speed of decision-making on critical matters.

Board Committees

Where appropriate, matters have been delegated to Board Committees, all of which have written terms of reference to assist the Board in discharging its duties and responsibilities. The Board receives the reports of their proceedings and deliberations at its scheduled Board meetings.

(1) Audit Committee

The composition of the Audit Committee is in accordance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), including the requirement that all its members are non-executive directors with independent non-executive directors forming the majority and one of the members being a qualified accountant.

The primary objective of the Audit Committee is to assist the Board of Directors in fulfilling its responsibilities relating to the Group's financial reporting and internal control systems. Details of the Audit Committee's terms of reference and activities during the financial year are disclosed in the Audit Committee Report.

The Audit Committee is able to obtain external professional advice and where necessary, invite outsiders with relevant experience to attend its meeting to seek opinions, viewpoints and clarifications.

(2) Nomination & Remuneration Committee

The Nomination & Remuneration Committee ("NRC") comprises entirely of Independent Non-Executive Directors and its members are:-

(i) Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid (Chairman);
(ii) Cheah Hon Kuen; and
(iii) Choo Tak Woh.

Statement on Corporate Governance
(cont'd)

The terms of reference of the NRC include the following:-

(a) To establish a formal and transparent procedure for the appointment of new directors to the Board;
(b) To review the terms and conditions of employment and remuneration of the Executive Directors;
(c) To consider, assess and recommend new nominees to the Board as well as committees of the Board;
(d) To review and approve the remuneration packages (including annual increments and bonuses) of the Executive Directors;
(e) To assess the effectiveness of the Board as a whole, the committees of the Board as well as the contribution of each individual director through an annual evaluation process;
(f) To review annually the required mix of skills, experience and other qualities including core competencies which each director should bring to the Board; and
(g) To ensure that all reviews, assessments and evaluations are properly documented.

The NRC meets at least once a year and whenever required. In 2008, three (3) meetings were held and attended by all the members.

During the financial year, the NRC reviewed the re-election of three (3) directors retiring by rotation at the 27th Annual General Meeting, the terms of employment and remuneration of three (3) executive directors, the annual increment and bonuses of all executive directors, the annual assessment and evaluation of the Board, committees of the Board and the individual directors as well as the annual review of the Board in respect of its size and the required mix of skills and experience. All recommendations of the NRC are subject to endorsements by the Board.

(3) Options Committee

The Options Committee is established to administer the Company's Employees' Share Options Scheme in accordance with the objectives and regulations thereof and to determine participation eligibility, option offers and share allocations and to attend to such other matters as may be required. The members of the Options Committee are as follows:-

(i) Cheah Hon Kuen (Chairman);
(ii) Taing Kim Hwa; and
(iii) Goh Chin Liong.

During the financial year, one (1) meeting was held.

Supply of information

All scheduled meetings held during the financial year were preceded with a formal agenda issued by the Company Secretary in consultation with the Chairman of the Meeting. The agenda for each of the meetings were accompanied by the minutes of preceding meetings of the Board and Board Committees, reports on group financial performance, operational performance of its business units including overall customer satisfaction and services quality, market share and market reaction, quarterly results for announcements, updates on material litigation (if any) and other relevant information. The Board papers are comprehensive and encompass all aspects of the matters being considered, enabling the Board to look at both quantitative and qualitative factors so that informed decisions may be made.

The Directors have access to the advice and services of the Company Secretary and all necessary external professional advice, when required, at the Company's expense.

Appointments and re-elections to the Board

The NRC is responsible for making recommendations for any appointments to the Board. In making these recommendations, the NRC considers the required mix of skills and experience which the Directors should bring to the Board.

As part of the process of appointing new Directors, the Board ensures that the new Directors are provided with an orientation programme. For the re-election of Directors, the Company's Articles of Association requires that the number of Directors nearest to, but not greater than one third retire by rotation each year and seek re-election at the Annual General Meeting. The Directors required to retire are those who have been longest in office since their last election.

Statement on Corporate Governance
(cont'd)

A retiring director is eligible for re-election. This provides an opportunity for shareholders to renew mandates. The election of each director is voted on separately. To assist shareholders in their decision, sufficient information such as personal profile and the shareholdings in the Group of each director standing for election are furnished in the Annual Report.

DIRECTORS' REMUNERATION

The objective of the Group's Remuneration Policy is to attract and retain the Directors required to lead and control the Group effectively. Generally, the remuneration of each Director reflects the level of responsibility and commitment that goes with his Board Committee membership.

In the case of Executive Directors, the Group aims to strike a balance between a level of remuneration which is sufficient to act as an incentive to the Executive Directors while at the same time challenging them to drive the growth of the Group's business and to maximize the return to shareholders. There are three (3) components to the Executive Directors' remuneration:-

- Basic salary and benefits;
- Annual bonus which is a percentage of salary and is linked to individual and corporate performance; and
- Long-term incentives.

Generally, salaries are established in accordance with each Executive Director's level of responsibility and experience. Long-term incentives are implemented through share-based schemes to align the Executive Directors' interest more closely to those of the shareholders.

The NRC also reviews and recommends for the Board's approval all other Directors' fees. In addition, the Company reimburses reasonable expenses incurred by these Directors in the course of their duties as Directors. Independent Non-Executive Directors are paid attendance fees for each Board or Board Committee meeting they attend.

In accordance with Article 72 of the Company's Articles of Association, the shareholders had on 18 October 2001 approved in advance an annual payment of Directors' fees of an aggregate amount not exceeding RM300,000/- to be divided amongst the Directors in such manner as they may determine for the financial year ended 31 January 2002 and for each financial year thereafter. The total Directors' fees for the financial year ended 31 December 2008 was RM268,000 at the Company level. The Board will seek shareholders' approval when there is a need to revise the said aggregate amount.

Disclosure

The Board has considered disclosure of details of the remuneration of each Director. The Board is of the view that the transparency and accountability aspects of corporate governance as applicable to Directors' Remuneration are appropriately served by the "band disclosure" as required by the Listing Requirements of Bursa Securities.

(1) Aggregate remuneration of Directors of the Company comprising remuneration received and/or receivable from the Company and/or subsidiaries during the financial year are as follows:-

	Directors' Fees (RM)	**Salaries & Other Emoluments (RM)**	**Benefits-in-kind & Perquisites (RM)**	**EPF (RM)**	**Total (RM)**
Executive Directors	135,567	3,327,833	348,258	399,348	4,211,006
Non-Executive Directors	195,433	130,667	35,562	14,424	376,086
Total	331,000	3,458,500	383,820	413,772	4,587,092

Statement on Corporate Governance
(cont'd)

(2) The number of Directors of the Company whose total remuneration received and/or receivable from the Company and/or subsidiaries during the financial year falls within the following bands:-

Range of remuneration	Number of Directors Executive	Number of Directors Non-Executive
Up to RM50,000	–	2
RM100,001 to RM150,000	–	1
RM400,001 to RM450,000	1	–
RM450,001 to RM500,000	2	–
RM500,001 to RM550,000	1	–
RM550,001 to RM600,000	1	–
RM700,001 to RM750,000	1	–
RM950,001 to RM1,000,000	1	–
Total	**7 ***	**3**

* Includes Mr Chua Siow Leng, who retired as Executive Director on 1 August 2008.

DIRECTORS' TRAINING

All the Directors have attended the Mandatory Accreditation Programme ("MAP") organised by Bursa Malaysia Securities Berhad. The Directors will continue to undergo other appropriate training programmes to further enhance their professionalism and knowledge as directors of a public listed company.

During the year, the following four (4) in-house seminars were organised for the Directors and senior management:-

(A) Global Management and Leadership Skills;
(B) Blue Ocean Strategy;
(C) Improving Board Directors' Performance, Leadership and Governance; and
(D) Global Factors Impacting Malaysian Export Competitiveness.

The Directors' attendance is as follows:-

	Directors	Seminars (A)	(B)	(C)	(D)
1	Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid *	–	√	√	√
2	Taing Kim Hwa	–	√	√	√
3	Goh Chin Liong	√	√	–	–
4	Wong Sewe Wing	√	√	–	–
5	Choe Kai Keong	√	√	–	√
6	Liang Kai Chong	√	√	–	–
7	Loh Siew Choh	√	–	√	√
8	Cheah Hon Kuen *	√	√	–	√
9	Choo Tak Woh *	√	√	√	√

* *Denotes a member of the Audit Committee*

Statement on Corporate Governance
(cont'd)

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

Dialogue between the Company and Investors

The Group values and strongly believes in the importance of good communication with shareholders, potential investors and the public. This is to ensure that all shareholders, both institutional and individual investors, have full access to the information disclosed by the Company. It does this through the Annual Report, Annual General Meeting, the Company's website (www.wct.com.my) and timely release of all corporate announcements and financial results, thus providing shareholders and the investing public with an overview of the Group's performance and operations. All enquiries made are dealt with as promptly as practicable.

The Annual Report remains the Company's main source of information for investors while the website, which has a dedicated investor relations section, is intended to provide comprehensive information about the Group to a wider segment of the investing public.

Another important channel of communication with shareholders, investors and the general investment community, both locally and internationally, is the Group's investor relations activities. The Company conducts regular briefings with financial analysts and fund managers from time to time as a means of maintaining and improving investor relationship. At least four (4) analyst briefings are held each year, usually to coincide with the release of the Group's quarterly financial results to explain the results achieved and the Group's strategic business plans with the aim of fostering better understanding of the Group's objectives. A press conference is normally held after the Annual General Meeting or any Extraordinary General Meeting of the Company.

In these exchanges, presentations based on permissible disclosures are made to explain the Group's performance and major development programmes. Price-sensitive and information that may be regarded as undisclosed material information about the Group is, however, not disclosed until after the prescribed announcement to Bursa Securities has been made.

Investors Service

The Group's website (www.wct.com.my) has a section dedicated to investor relations and provides up-to-date information on the Group's business and operations. Presentations made to analysts and fund managers are posted on this section of the website.

Further enquiries may be directed to Mr Kenny Wong who reports to the Executive Director, Mr Loh Siew Choh, on all investor related matters:-

Mr Kenny Wong
Assistant Manager – Corporate & Finance
Tel: +603 7805 2266
Email: kenny.wong@wct.com.my

Investor Relations Activities in 2008

Below is a summary of the investor relations activities undertaken in the financial year 2008:-

	Total
Meetings with investors, analysts and fund managers	46
Investors briefings	4
Press conferences / interviews	3
Regional investors road shows / conferences	8

The Annual General Meeting

The Company has over the years used the Annual General Meeting as a forum of communication with its shareholders. The Board encourages participation from shareholders by having a question and answer session during the Annual General Meeting whereby the Directors are available to discuss aspects of the Group's performance and its business activities. Each item of special business included in the notice of the meeting is accompanied by a full explanation of the effects of a proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting and where appropriate, the Chairman will declare the number of proxy votes received, both for and against each separate resolution.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board continually strives to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly announcements of results to shareholders as well as the Chairman's statement and review of operations in the annual report.

In preparing the financial statements, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. All accounting standards that the Board considers to be applicable have been followed if required.

The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

Statement of Directors' Responsibility in Relation to the Financial Statements

The Directors are required to prepare financial statements which give a true and fair view of the state of affairs of the Group and the Company as at the end of each financial year and of their results and their cash flows for that year then ended.

The Directors consider that in preparing the financial statements,

- the Group and the Company have used appropriate accounting policies and are consistently applied;
- reasonable and prudent judgements and estimates were made; and
- all applicable approved accounting standards in Malaysia have been followed.

The Directors are responsible for ensuring that the Company maintains accounting records that disclose with reasonable accuracy the financial position of the Group and the Company, and which will enable them to ensure that the Financial Statements comply with the Companies Act 1965.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities.

Internal Control

Information on the Group's internal control system during the year is presented in the Statement on Internal Control set out in this Annual Report.

Relationship with Auditors

Through the Audit Committee, the Group has established a transparent and appropriate relationship with the Group's auditors, both external and internal in seeking professional advice and ensuring compliance with the accounting standards in Malaysia.

The role of the Audit Committee in relation to the external auditors can be found in the Audit Committee Report set out in this Annual Report.

(This Statement on Corporate Governance has been approved by the Board of Directors via a resolution dated 28 April 2009).

Other Disclosures

The following disclosures are provided for shareholders' information and in accordance with the requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"):-

1. Utilisation of Proceeds from the issue of the Warrants (2008/2013)

	Utilisation	Amount (RM)
1.	Working capital	34,816,528.43
2.	Expenses for the Issue	155,334.57
	Total Proceeds from the Issue:	34,971,863.00

2. Share Buy-back

The Company did not undertake any share buy-back during the financial year and does not hold any treasury shares.

3. Exercise of Options, Warrants and Irredeemable Convertible Preference Shares

During the financial year ended 31 December 2008, the following quantum were exercised or converted into ordinary shares:-

(i) 1,959,504 ordinary shares of RM1.00 each were issued arising from the conversion of 19,595,032 Irredeemable Convertible Preference Shares of RM0.10 each ("ICPS");

(ii) 17,845,697 ordinary shares of RM0.50 each were issued arising from the conversion of 89,228,484 ICPS;

(iii) 508,675 ordinary shares of RM0.50 each were issued arising from the exercise of Warrants;

(iv) 2,539,010 ordinary shares of RM1.00 each were issued arising from the exercise of options granted to employees pursuant to the Employees Share Option Scheme; and

(v) 3,389,776 ordinary shares of RM0.50 each were issued arising from the exercise of options granted to employees pursuant to the Employees Share Option Scheme.

4. Options Granted to and Exercised by Non-Executive Directors

Save for the adjustments made pursuant to the Share Split of one (1) existing ordinary share of RM1.00 each into two (2) new ordinary shares of RM0.50 each on 11 February 2008, no new options were granted to the Non-Executive Directors in 2008. The table below sets out the outstanding options of the Non-Executive Directors as at 31 December 2008:-

	Options over Ordinary Shares of RM1.00 each			Options over Ordinary Shares of RM0.50 each		
Name of Director	Balance as at 1.1.2008	Number of Options Exercised	Balance as at 10.2.2008	Balance after Adjustment for Share Split	Number of Options Exercised	Balance as at 31.12.2008
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	242,666	73,000	169,666	339,332	85,000	254,332
Cheah Hon Kuen	121,333	37,000	84,333	168,666	42,000	126,666
Choo Tak Woh	110,666	15,000	95,666	191,332	35,000	156,332

Other Disclosures (cont'd)

5. American Depository Receipt ("ADR") / Global Depository Receipt ("GDR")

The Company did not sponsor any ADR / GDR Programme during the financial year.

6. Imposition of Sanctions/Penalties

There were no sanctions or penalties imposed by the relevant regulatory bodies on the Company or its subsidiaries, directors or management during the financial year.

7. Non-Audit fees

The amount of non-audit fees paid to the external auditors by the Company and its subsidiaries for the financial year is RM40,207/-.

8. Material Contracts Involving Directors and Major Shareholders

On 29 September 2008, WCT Berhad Group entered into the following contracts (not being contracts entered into in the ordinary course of business) with the Employees Provident Fund Board ("EPF"), a substantial shareholder of the Company:-

(i) The Share Sale Agreement dated 29 September 2008 ("SSA") between the wholly-owned subsidiary, WCT Land Sdn Bhd ("WCTL") and EPF in relation to the disposal by WCTL to EPF of 48,000,000 fully paid ordinary shares in Jelas Puri Sdn Bhd ("JPSB"), a wholly-owned subsidiary of WCTL, representing 30% equity interest in the enlarged share capital of JPSB for a total cash consideration of RM87,360,000/=;

(ii) A conditional Shareholders' Agreement dated 29 September 2008 between WCTL and EPF to regulate their relationship as shareholders of JPSB which shall become effective upon completion of the SSA; and

(iii) A conditional Subscription Agreement dated 29 September 2008 between EPF and JPSB whereby EPF will subscribe for 390,000,000 Redeemable Secured Loan Stock of RM1.00 nominal value each in JPSB ("RSLS") for a total cash consideration of RM390,000,000/= subject to conditions imposed in the agreement.

Other material contracts involving directors and major shareholders which are still subsisting at the end of the financial year on 31 December 2008 are described in Note 41(a) to the Financial Statements.

9. Revaluation Policy

The Company's revaluation policy on landed properties is disclosed in Note 2.2(d) & 2.2(e) to the Financial Statements.

10. Recurrent Related Party Transactions of A Revenue Nature

The aggregate amount of the recurrent related party transactions between WCT Berhad ("WCT") Group and the related party as mandated by the shareholders at the Annual General Meeting held on 3 June 2008 amounted to RM378,000 for the financial year ended 31 December 2008.

Statement on Internal Control

BOARD RESPONSIBILITY

The Board acknowledges their overall responsibility for the sound system of internal control of the Company and its subsidiaries (the "Group") and the review of its adequacy and integrity throughout the Group in order to safeguard the Group's assets and shareholders' investment.

In ensuring a sound system of internal control is being implemented, the Board relies upon the Audit Committee together with the support of the Group's Internal Audit Department (GIAD) to monitor and review the adequacy and integrity of the system of internal control.

Due to limitations that are inherent in any system of internal control, the system adopted by the Group is designed to manage rather than to eliminate the risk of failure to achieve business objectives. The system of internal control can only provide reasonable but not absolute assurance against any material misstatement or loss.

KEY INTERNAL CONTROL PROCESS

Risk Management

The Board acknowledges that risk management is a key discipline within the system of internal control, to ensure that risks which may affect the Group's business objectives are identified and managed in a timely manner.

The Board, through the Risk Management Committee ("RMC") adopts an ongoing risk management process in identifying, documenting, evaluating, monitoring and managing significant risks. The Risk Management Policy provides a structured and focused approach in managing risks.

The RMC comprises key management personnel from across the Group, i.e. Technical Department, Contract Department, Finance & Accounts Department, Legal Department and Property Division. The RMC meets every two (2) months to review the risk assessment reports collated by the Risk Manager. Such risk assessment reports will then be escalated to the Management Committee for review at its periodic meetings. The Management Committee consists of Executive Directors, Heads of Department and other Senior Management personnel.

All risk assessment reports are distributed to the executive directors for their information.

Internal Audit Function

GIAD provides independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system.

The GIAD carries out scheduled reviews on the state of internal control of the Group's business activities and key business processes based on the annual audit plan. GIAD adopts a risk-based approach when establishing its audit plan and executing the audit.

Audit Committee

The Audit Committee ("AC"), which is chaired by an independent non-executive director, receives reports from both internal and external auditors on a regular basis.

Reports prepared by GIAD on the status of the adequacy, efficiency and effectiveness of the system of internal control of the Group's business activities and key businesses are articulated in AC meetings on a periodic basis.

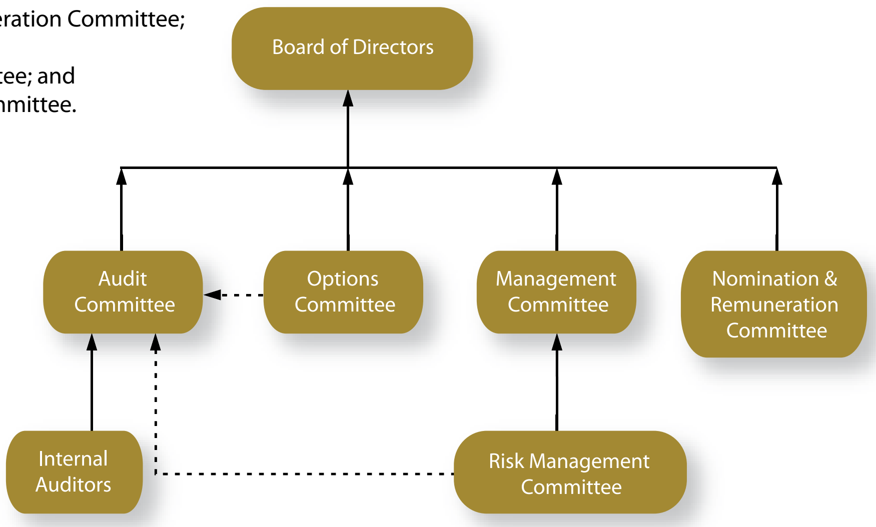
The external auditors provide assurance in the form of their annual statutory audit of the financial statements of the Group. Any areas for improvement identified during the course of their audit are brought to the attention of the AC through management letters, or are articulated at AC meetings.

Statement On Internal Control (cont'd)

Other Key Elements

Apart from the above, other key elements of the Group's Internal Control System include the following:-

- Clearly defined operating structure, lines of responsibilities and delegated authority. Various Board and Management Committees have been established to assist the Board in discharging its duties. These includes the following:-
  - ➢ Audit Committee;
  - ➢ Nomination & Remuneration Committee;
  - ➢ Options Committee;
  - ➢ Management Committee; and
  - ➢ Risk Management Committee.



WCT Berhad Oversight Structure

- Policies, procedures and guidelines are documented to provide guidance to all levels of employees and are reviewed and updated as and when necessary.

- The ISO 9001:2000 and OHSAS 18001:2007 Management Systems, which are subject to regular reviews and improvement, continuously manage and control the quality requirements of the Group's products and services and also safety and health at work place.

- Comprehensive and adequate financial information, operational information and key business indicators are presented to the Management and the Board in a timely manner allowing them to review Group's performance.

- Proper guidelines for hiring and termination of staff, and annual performance system are in place. Training and development programmes are identified and scheduled for employees to acquire the necessary knowledge and competency to meet their job expectations.

- Regular visit to operating units and projects by Senior Management, Audit Committee members and Internal Auditors.

- In respect of any joint venture entered into by the Group, the Management of the joint venture (which comprises representatives from the Group and the joint venture partner) is responsible for overseeing the administration, operation and executive management of the joint venture. Financial and operational information of the joint venture is regularly provided to the Management of the Group.

- In respect of associate company, the Management of the Group has significant influence in the management of the associate company. Representative of the Group sits on the Board of the associate company and attends its Board meetings. Financial and operational information of the associate company is provided to the Management of the Group on periodic basis.

The Board confirms that the Group's existing system of internal control is adequate and effective and will continue to be reviewed and/or updated with changes in business environment. There were no significant internal control problem and no material losses were incurred during the financial year as a result of weaknesses in internal control.

Audit Committee Report

A. MEMBERSHIP

The Audit Committee comprises the following members:-

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

Members : Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid
(Independent Non-Executive Director)

Choo Tak Woh
(Independent Non-Executive Director)

B. TERMS OF REFERENCE

I. COMPOSITION

The Committee shall be appointed by the Board of Directors amongst the Directors of the Company which fulfils the following requirements:-

(1) the Committee must be composed of no fewer than three (3) members;

(2) all the Committee members must be non-executive directors with a majority of them being independent directors; and

(3) at least one (1) member of the Committee:-

(a) must be a member of the Malaysian Institute of Accountants; or

(b) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience; and

(i) he must have passed the examinations specified in Part I and of the First Schedule of the Accountants Act 1967; or

(ii) he must be a member of one of the association of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or

(c) fulfils such other requirements as prescribed or approved by Bursa Securities.

The members of the Committee shall elect a Chairman from among themselves who shall be an independent director. No alternate director should be appointed as a member of the Committee.

In the event of any vacancy in the Committee resulting in the non-compliance of the Listing Requirements of Bursa Securities pertaining to the composition of the audit committee, the Board of Directors shall within three months of that event fill the vacancy.

The terms of office and performance of the Committee and each of its members must be reviewed by the Board of Directors at least once every three (3) years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

Audit Committee Report (cont'd)

II. MEETINGS

Frequency

Meetings shall be held not less than four (4) times a year, with additional meetings convened as and when necessary. Upon the request of the external auditor, the Chairman of the Committee shall convene a meeting of the Committee to consider any matter the external auditor believes should be brought to the attention of the Directors or shareholders.

In the interval between Audit Committee meetings, for exceptional matters requiring urgent decisions, Audit Committee approvals are sought via circular resolutions which are attached with sufficient information required for an informed decision.

Quorum

A quorum of the Committee shall be at least two (2) members and consist of a majority of independent directors.

Secretary

The Company Secretary shall be the Secretary of the Committee or in his absence, another person authorised by the Chairman of the Committee.

Reporting Procedure

The minutes of each meeting shall be circulated to the Committee members and to all members of the Board.

Attendance

The Head of Corporate & Finance, the Head of Internal Audit and the representative of the external auditor (if required) shall normally attend the meetings. Other directors and employees may attend any particular meeting only at the Audit Committee's invitation, specific to the relevant meeting.

At least twice a year, the Committee shall meet with the external auditor without any executive Board members present. For the financial year ended 31 December 2008, a total of five (5) Audit Committee Meetings were held, details of the attendance of the members are as follows:-

Name	Number of meetings attended
Cheah Hon Kuen	5/5
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	5/5
Choo Tak Woh	5/5

III. RIGHTS AND AUTHORITY

(1) The Audit Committee is authorised by the Board of Directors to investigate into any activities within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate on any request made by the Audit Committee.

(2) The Audit 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.

(3) The Audit Committee is empowered to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Group, whenever deemed necessary.

(4) The Audit Committee has direct communication channels with the external auditor and person(s) carrying out the internal audit function or activity.

IV. FUNCTIONS, DUTIES AND RESPONSIBILITIES

The functions, duties and responsibilities of the Audit Committee shall be:-

(1) To recommend the nomination of person or persons as the external auditor, the audit fee and any questions of suitability for re-appointment, resignation or dismissal;

(2) To review the following and report the same to the Board of Directors:-

(a) the quarterly results and year-end financial statements of the Group and the Company, focusing particularly on any changes in or implementation of major accounting policies and procedures, significant and unusual events, significant adjustments arising from the audit, the going concern assumption and compliance with applicable approved accounting standards and other legal and regulatory requirements;

(b) the audit plan, with the external auditor, before the audit commences, the nature and scope of audit, and ensure co-ordination where more than one audit firm is involved;

(c) the external auditor's evaluation of the Group's system of internal controls;

(d) the external auditor's Report to the Audit Committee and management's response;

(e) the problems and reservations arising from any interim and final audit, and any matter the external auditor may wish to discuss (in the absence of management where necessary);

(f) the assistance given by employees of the Group to the external auditor;

(g) any related party transactions and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;

(3) To review the following in respect of the internal audit function:-

(a) the adequacy of the scope, functions, competency and resources of the internal audit functions, and that it has the necessary authority to carry out its works;

(b) the internal audit programme and results of the internal audit process and where necessary ensure that appropriate action is taken on the recommendations of the internal audit function;

(c) any appraisal or assessment of the performance of members of the internal audit function; and

(d) any appointment or termination of senior staff members of the internal audit function and to provide the opportunity for the resigning staff member to submit his reasons for resigning;

(e) the major findings of internal investigations and the management's response;

(4) To promptly report to Bursa Securities on matters reported by it to the Board that have not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Securities;

(5) To review and verify annually that options allocated and granted are in accordance with the approved allocation criteria; and

(6) To undertake such other functions as may be authorised by the Board.

C. SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2008, the Audit Committee:-

(1) Reviewed the quarterly unaudited Financial Statements of the Group and recommended the same to the Board of Directors for approval and for release to Bursa Securities;

(2) Reviewed the external auditors' report on their audit plan, scope of work and the audit procedures to be utilised in the annual audit;

(3) Held two (2) discussions with the external auditors without the presence of management and executive directors;

(4) Reviewed the annual financial statements together with the external auditors to ensure compliance with:-

   (a) Provisions of the Companies Act, 1965;
   (b) Listing Requirements of Bursa Securities;
   (c) Applicable approved accounting standards in Malaysia; and
   (d) Other legal and regulatory requirements;

(5) Discussed with the internal auditors on their scope of work, adequacy of resources and co-ordination with the external auditors;

(6) Deliberated on the significant audit findings and management responses in the internal audit reports and the follow-up action taken on the respective audit recommendations;

(7) Reviewed twenty nine (29) internal audit reports covering existing local and overseas projects, toll concession operation and compliance with relevant laws and regulations; and

(8) Discussed and approved twenty five (25) internal audits planned for the year 2009 covering existing local and overseas projects and key processes of the construction business;

(9) Visited nine (9) on-going projects, both locally and in the Middle East, together with the Manager - Internal Audit;

(10) Reviewed the related party transactions entered into by the Company and its subsidiaries;

(11) Reviewed and verified that options allocated and granted during the year under the Company's Employees Share Option Scheme ("ESOS") were in accordance with the allocation criteria approved by the Options Committee and in compliance with the By-Laws of the ESOS.

D. INTERNAL AUDIT FUNCTION

The in-house Group Internal Audit Department ("GIA"), which reports directly to the Audit Committee, assists the Audit Committee in the discharge of its duties and responsibilities. Its role is to provide independent and objective reports on the organisation's management records, accounting policies and controls to the Audit Committee. The total cost incurred for the Group's internal audit function in respect of the financial year ended 31 December 2008 was approximately RM404,000/=.

A risk-based approach is used to ensure that the high risk activities in each auditable area are audited annually. Audits are prioritised according to an assessment of the potential risk exposures and are based on processes by which significant risks are identified, assessed and managed. Such audits also ensure instituted controls are appropriate and are effectively applied to achieve acceptable risks exposure.

Audit Committee Report (cont'd)

The scope of the internal audit function covers the review and evaluation of the risks exposure relating to the Group's governance, operations and information system as follows:-

(a) Effectiveness and efficiency of operations;
(b) Safeguarding of assets;
(c) Reliability and integrity of financial and operational information;
(d) Compliance with policies and procedures, laws, regulations and contracts; and
(e) Recommend appropriate controls to overcome deficiencies and to enhance operations.

The GIA carries out its activities according to the audit plan approved by the Audit Committee. It also conducts follow-up reviews to monitor and ensure that audit recommendations are effectively implemented. The internal audit reports which include action plans as agreed with the operational level management, are circulated to Senior Management and tabled at the Audit Committee meetings.

E. ACTIVITIES OF THE INTERNAL AUDIT FUNCTION IN 2008

The GIA conducts regular reviews and appraisals to give assurance to the Board on the efficiency and effectiveness of the system of internal control. The GIA comprises four (4) staff including a Manager – Internal Audit, a Senior Executive and two (2) Junior Executives.

For the year 2008, reviews and appraisal conducted by GIA are based on the approved Internal Audit Plan which was developed based on risks associated with the business and activities carried out by the Group.

The main activities of the GIA include:-

(1) Performing operational audit on the following areas:-

    (a) On-going projects and other businesses of the Group.
    (b) System administration and support service.
    (c) Reviewing compliance with the policies, procedures and applicable laws and regulations.

(2) In 2008, the GIA completed twenty nine (29) audits. Of these, twenty one (21) are planned audits while the remaining eight (8) are ad-hoc or unplanned audits. The types of audits undertaken are summarised below:-

Type of Audit	No. of Audits Conducted
On-going projects	14
Other business	4
System administration and support service	9
Investigation	2
	29

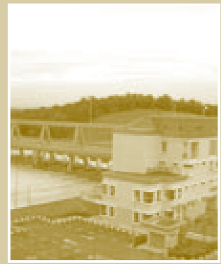
(3) Undertaking investigation on any suspicion of fraud or operational failure reported within the Group.

(4) Conducting follow-up on audit recommendations raised in each audit report to ensure that corrective and preventive action has been implemented accordingly by the auditee and provided updates on the status of such actions in internal audit report.

(5) Visited nine (9) on-going projects (local and overseas) together with Audit Committee Members to discuss with Project Management team on matters and issues related to the project to enable the independent directors to have adequate information on the operations of each project.

(6) During their visits to the overseas projects, the Independent Directors, accompanied by the Internal Auditor, also met with the respective external auditors in Abu Dhabi (BDO Patel), Bahrain (BDO Jawad Habib) and Qatar (Ernst & Young) to obtain their opinions on the overseas projects audited by them.



Financial Statements

Directors' Report

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2008.

CHANGE OF NAME

On 5 June 2008, the Company changed its name to WCT Berhad.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of civil engineering works specialising in earthworks, construction of highway, building and related infrastructure works, investment and property holding and provision of management services to the subsidiaries.

The principal activities of the subsidiaries, associates and joint ventures are disclosed in Notes 6, 7 and 8 to the financial statements respectively.

There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit after taxation	145,788	60,815
Attributable to:		
Equity holders of the Company	101,770	60,815
Minority interests	44,018	–
	145,788	60,815

There were no material transfers to or from reserves and provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the effect of the event disclosed in Note 48 to the financial statements.

DIVIDENDS

The amount of dividends paid by the Company since 31 December 2007 were as follows:

	RM'000
In respect of the financial year ended 31 December 2007 as approved by the shareholders:	
Final dividend of 4.5 sen per share less tax at 26% on 764,732,349 ordinary shares of RM0.50 each, paid on 18 June 2008	25,465

DIVIDENDS (CONT'D)

In respect of the financial year ended 31 December 2008:

Dividend of 13.5% on 86,000,534 Irredeemable Convertible Preference Shares ("ICPS") of RM0.10 each, paid on 8 August 2008	1,161
Interim dividend of 5.0 sen per share less tax at 26% on 771,097,141 ordinary shares of RM0.50 each, paid on 18 September 2008	28,530
	55,156

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2008 of 4.5 sen per ordinary share of RM0.50 each less tax at 25% (3.375 sen net per share) on 771,498,961 ordinary shares of RM0.50 each amounting to RM26,038,090 will be proposed for shareholders' approval.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in the shareholders' equity as an appropriation of retained profits in the next financial year ending 31 December 2009.

DIRECTORS

The Directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid
Taing Kim Hwa
Goh Chin Liong
Wong Sewe Wing
Choe Kai Keong
Liang Kai Chong
Loh Siew Choh
Cheah Hon Kuen
Choo Tak Woh
Chua Siow Leng (retired on 1 August 2008)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that financial year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under the Employee Share Options Scheme ("ESOS"), Irredeemable Convertible Preference Shares ("ICPS"), Convertible Redeemable Debt Securities ("CRDS") and warrants.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown in Note 37(c) to the financial statements) by reason of a contract made by the Company or a related corporation with any 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, except as disclosed in Note 41 to the financial statements.

Directors' Report (cont'd)

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares, ICPS, warrants, CRDS and options over shares in the Company and its related corporations during the financial year were as follows:

	(No. of ordinary shares of RM1.00 each)			(No. of ordinary shares of 50 sen each)		
	1 January 2008	Acquired/ (Disposed)	10 February 2008	Adjusted for the Share Split on 11 February 2008	Acquired/ (Disposed)	31 December 2008
a) The Company						
Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid						
- direct	503,999	73,000			125,960	
		(20,000)	556,999	1,113,998	(170,000)	1,069,958
- indirect (child)	–	–	–	–	10,000	10,000
Taing Kim Hwa						
- direct	2,317,805	375,333	2,693,138	5,386,276	213,969	
					(2,800,000)	2,800,245
- indirect	80,816,897	–	80,816,897	161,633,794	–	161,633,794
Goh Chin Liong						
- direct	1,666,000	339,666	2,005,666	4,011,332	895,369	4,906,701
Wong Sewe Wing						
- direct	288,400	109,000	397,400	794,800	32,489	827,289
- indirect	80,816,897	–	80,816,897	161,633,794	–	161,633,794
- indirect (child)	8,500	5,300	13,800	27,600	11,004	38,604
Choe Kai Keong						
- direct	595,993	–	595,993	1,191,986	952,889	2,144,875
Liang Kai Chong						
- direct	831,733	268,000			120,264	
		(20,000)	1,079,733	2,159,466	(70,000)	2,209,730
- indirect (spouse)	100,177	–	100,177	200,354	3,144	203,498
Loh Siew Choh						
- direct	589,233	20	589,253	1,178,506	673,080	
					(400,000)	1,451,586
- indirect (spouse)	145,200	–	145,200	290,400	(6,000)	284,400
Cheah Hon Kuen						
- direct	74,733	47,910	122,643	245,286	57,720	303,006
Choo Tak Woh						
- direct	76,000	15,720			78,340	
		(5,000)	86,720	173,440	(75,000)	176,780

Directors' Report (cont'd)

DIRECTORS' INTERESTS (CONT'D)

	Number of ICPS of RM0.10 each		
	1 January 2008	Disposed/ converted	31 December 2008
a) The Company			
Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid - direct	22	–	22
Taing Kim Hwa - direct	200	200	–
Wong Sewe Wing - direct	260	–	260
Choe Kai Keong - direct	500	–	500
Loh Siew Choh - direct	200	200	–
Cheah Hon Kuen - direct	109,100	109,100	–
Choo Tak Woh - direct	7,200	7,200	–

The terms and conditions of the ICPS are disclosed in Note 28 to the financial statements.

Directors' Report (cont'd)

DIRECTORS' INTERESTS (CONT'D)

	Number of Warrants		
	1 January 2008	Acquired	31 December 2008
a) The Company (cont'd)			
Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid			
- direct	–	239,500	239,500
Taing Kim Hwa			
- direct	–	1,507,863	1,507,863
- indirect	–	33,238,999	33,238,999
Goh Chin Liong			
- direct	–	803,000	803,000
Wong Sewe Wing			
- indirect	–	33,238,999	33,238,999
Choe Kai Keong			
- direct	–	526,400	526,400
Liang Kai Chong			
- direct	–	698,893	698,893
- indirect (spouse)	–	40,071	40,071
Loh Siew Choh			
- direct	–	1,740,500	1,740,500
- indirect (spouse)	–	61,200	61,200
Cheah Hon Kuen			
- direct	–	54,000	54,000
Choo Tak Woh			
- direct	–	37,000	37,000

The terms and conditions of the warrant are disclosed in Note 27(c) to the financial statements.

DIRECTORS' INTERESTS (CONT'D)

	Number of ordinary shares of RM0.50 each		
	1 January 2008	* Converted	31 December 2008
b) Subsidiary - WCT Land Sdn. Bhd. (formerly known as WCT Land Berhad) ("WCTL")			
Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid			
- direct	40,000	40,000	-
Taing Kim Hwa			
- direct	120,000	120,000	–
- indirect	209,010,144	209,010,144	–
Goh Chin Liong			
- direct	180,000	180,000	–
Wong Sewe Wing			
- direct	60,000	60,000	–
- indirect	209,010,144	209,010,144	–
- indirect (child)	21,000	21,000	–
Choe Kai Keong			
- direct	751,000	751,000	–
Liang Kai Chong			
- direct	76,840	76,840	–
- indirect (spouse)	6,000	6,000	–
Loh Siew Choh			
- direct	242,300	242,300	–
Cheah Hon Kuen			
- direct	39,000	39,000	–
Choo Tak Woh			
- direct	35,000	35,000	–

* Converted pursuant to the voluntary take-over offer at an offer price of RM2.09 per WCTL share which was completed on 28 March 2008 as disclosed in Note 47(c) to the financial statements.

DIRECTORS' INTERESTS (CONT'D)

	Nominal value of RM1.00 CRDS A		
	1 January 2008	* Converted	31 December 2008
b) Subsidiary - WCT Land Sdn. Bhd. (cont'd) (formerly known as WCT Land Berhad) ("WCTL")			
Taing Kim Hwa			
- direct	1,000	1,000	–
- indirect	59,501,000	59,501,000	–
Goh Chin Liong			
- direct	1,000	1,000	–
Wong Sewe Wing			
- direct	1,000	1,000	–
- indirect	59,501,000	59,501,000	–
Choe Kai Keong			
- direct	1,000	1,000	–
Liang Kai Chong			
- direct	1,000	1,000	–

* Converted pursuant to the voluntary take-over offer at an offer price of RM4.18 per nominal value of RM1.00 of WCTL CRDS A which was completed on 28 March 2008.

By virtue of their interests in shares in the Company, Taing Kim Hwa and Wong Sewe Wing, are also deemed interested in shares in all the Company's subsidiaries to the extent the Company has an interest.

DIRECTORS' INTERESTS (CONT'D)

	Number of share options over ordinary shares pursuant to WCT Berhad (formerly known as WCT Engineering Berhad) ESOS					
	(No. of options of RM1.00 each)			(No. of options of 50 sen each)		
	1 January 2008	Granted/ (Exercised)	10 February 2008	Adjusted for the Share Split on 11 February 2008	Granted/ (Exercised)	31 December 2008
The Company						
Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid	242,666	(73,000)	169,666	339,332	(85,000)	254,332
Taing Kim Hwa	689,333	(375,333)	314,000	628,000	–	628,000
Goh Chin Liong	625,332	(339,666)	285,666	571,332	–	571,332
Wong Sewe Wing	280,000	(109,000)	171,000	342,000	–	342,000
Choe Kai Keong	242,666	–	242,666	485,332	(194,000)	291,332
Liang Kai Chong	733,332	(268,000)	465,332	930,664	–	930,664
Loh Siew Choh	597,333	–	597,333	1,194,666	372,000 (346,000)	1,220,666
Cheah Hon Kuen	121,333	(37,000)	84,333	168,666	(42,000)	126,666
Choo Tak Woh	110,666	(15,000)	95,666	191,332	(35,000)	156,332

Further information of the ESOS are disclosed in Note 27(b) to the financial statements.

	Number of share options over ordinary shares of RM0.50 each pursuant to WCT Land Sdn. Bhd. (formerly known as WCT Land Berhad) ESOS *			
	1 January 2008	Granted	Exercised	31 December 2008
Subsidiary - WCT Land Sdn. Bhd. (formerly known as WCT Land Berhad) ("WCTL")				
Choe Kai Keong	409,000	–	(409,000)	–

* The Employee Share Options Scheme has lapsed on 26 January 2008 and terminated on 12 August 2008 vide an Extraordinary General Meeting held on 12 August 2008 following the privatisation of WCT Land Sdn. Bhd. (formerly known as WCT Land Berhad) as disclosed in Note 47(c) to the financial statements.

Directors' Report (cont'd)

ISSUE OF SHARES

Ordinary shares

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM338,966,148 to RM385,749,481 by way of:

(i) issuance of 2,539,010 ordinary shares of RM1.00 each for cash pursuant to the Company's ESOS at exercise price ranging from RM1.45 to RM3.46 per ordinary share.

(ii) issuance of 1,959,504 ordinary shares of RM1.00 each pursuant to the conversion of ICPS of RM0.10 which was satisfied by surrendering 10 ICPS for each new ordinary share.

(iii) issuance of 343,464,662 ordinary shares pursuant to the share split exercise involving the subdivision of each of the existing ordinary shares of RM1.00 each in the Company into 2 new ordinary shares of RM0.50 each in the Company on 11 February 2008.

(iv) issuance of 62,825,489 ordinary shares of RM0.50 each pursuant to the voluntary take-over offer of WCT Land Sdn. Bhd. (formerly known as WCT Land Berhad) as disclosed in Note 6(b) to the financial statements.

(v) issuance of 3,389,776 ordinary shares of RM0.50 each for cash pursuant to the Company's ESOS at exercise price ranging from RM0.73 to RM2.92 per ordinary share.

(vi) issuance of 17,845,697 ordinary shares of RM0.50 each pursuant to the conversion of ICPS of RM0.10 which was satisfied by surrendering 5 ICPS for each new ordinary share.

(vii) issuance of 508,675 ordinary shares of RM0.50 each pursuant to the conversion of warrants at an exercise price of RM3.00 per ordinary share for cash.

The new ordinary shares rank pari passu in all respects with the existing ordinary shares.

Irredeemable Convertible Preference Shares ("ICPS")

As mentioned in (ii) and (vi) above, 108,823,525 ICPS were converted into 1,959,504 new ordinary shares of RM1.00 each and 17,845,697 new ordinary shares of RM0.50 each during the financial year.

EMPLOYEES' SHARE OPTION SCHEME

Details of the ESOS and options granted and not exercised as at 31 December 2008 are set out in Note 27 to the financial statements.

The Company has been granted exemption by the Companies Commission of Malaysia under Section 169(11) of the Companies Act, 1965 from having to disclose the names of option holders who held less than 300,000 options.

Directors' Report (cont'd)

Those employees of the Group whose share options entitlements are equal to or more than 300,000 share options in the Company pursuant to the ESOS are as follows:

	(No. of options of RM1.00 each)		(No. of options of 50 sen each)		
	10 February 2008	Adjustment to the Share Split on 11 February 2008	11 February 2008	Granted/ (Exercised)	31 December 2008
Ong Ka Thiam	282,666	282,666	565,332	72,000	637,332

Further information on the ESOS is as disclosed in note 27(b) to the financial statements.

WARRANTS

Pursuant to the issuance of the RM300 million nominal value of Islamic Serial Redeemable Bonds ("SUKUK") together with detachable warrants rights, 139,887,452 ("Warrants") were allotted and listed on the Main Board of Bursa Malaysia Securities Berhad on 28 April 2008. The salient features of the Warrants are disclosed in Note 27(c) to the financial statements.

OTHER STATUTORY INFORMATION

(a) Before the balance sheets and income statements of the Group and of the Company were made out, the Directors took reasonable steps:

  (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that was no known bad debts and that adequate provision had been made for doubtful debts; and

  (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had 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 which would render if necessary to write off any bad debt or:-

  (i) or the amount of the provision for doubtful debts in these financial statements inadequate to any substantial extent; and

  (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

  (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

  (ii) any contingent liability of the Group or of the Company which have arisen since the end of the financial year.

Directors' Report (cont'd)

OTHER STATUTORY INFORMATION (CONT'D)

(f) In the opinion of the Directors:

(i) 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 financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS

Details of significant events are disclosed in Note 47 to the financial statements.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 28 April 2009.

Taing Kim Hwa
Managing Director

Goh Chin Liong
Deputy Managing Director

Statement by Directors

Pursuant to Section 169(15) of the Companies Act, 1965

We, Taing Kim Hwa and Goh Chin Liong, being two of the Directors of WCT Berhad (formerly known as WCT Engineering Berhad), do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 63 to 166 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2008 and of the results and the cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 28 April 2009.

Taing Kim Hwa
Managing Director

Goh Chin Liong
Deputy Managing Director

Statutory Declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, Loh Siew Choh, being the Director primarily responsible for the financial management of WCT Berhad (formerly known as WCT Engineering Berhad), do solemnly and sincerely declare that the accompanying financial statements set out on pages 63 to 166 are in my opinion 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 Loh Siew Choh at
Kuala Lumpur in the Federal Territory
on 28 April 2009

Loh Siew Choh

Before me,

R.Vasugi Ammal, PJK (No. W480)
Commissioner for Oath

Independent Auditors' Report

to the Members of WCT Berhad

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of WCT Berhad, which comprise the balance sheets as at 31 December 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 63 to 166.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2008 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2.4(a)(iv) and Note 48 to the financial statements which describe the contract dispute subject to arbitration proceedings. The ultimate outcome of the subject matter of arbitration cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Independent Auditors' Report

to the Members of WCT Berhad (cont'd)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company 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 required by us for those purposes.

(c) The auditors' reports on the accounts of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Low Khung Leong
No. 2697/01/11 (J)
Chartered Accountant

Kuala Lumpur, Malaysia

Balance Sheets

as at 31 December 2008

	Note	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Non-current assets					
Property, plant and equipment	3	373,082	321,733	14,500	11,647
Land held for property development	4(a)	253,424	156,241	–	–
Investment properties	5	424,481	403,554	–	–
Investment in subsidiaries	6	–	–	494,544	180,495
Investment in associates	7	189,102	140,999	520	520
Jointly controlled entities	8	–	–	134	–
Other investments	9	11,298	15,498	–	–
Trade receivables	11	438,703	135,728	11,808	8,346
Other receivables	12	283,685	–	–	–
Deferred tax assets	32	6,324	7,542	83	1,343
		1,980,099	1,181,295	521,589	202,351
Current assets					
Property development costs	4(b)	162,597	258,655	–	–
Inventories	10	150,527	93,602	14,056	14,056
Trade receivables	11	1,079,663	1,042,160	57,431	57,475
Other receivables	12	356,159	175,388	15,626	6,467
Due from related parties	13	14,957	14,047	989,457	692,147
Tax recoverable		16,910	8,476	2,100	–
Cash and cash equivalents	14	719,316	710,617	427,845	176,512
		2,500,129	2,302,945	1,506,515	946,657
Current liabilities					
Trade payables	16	945,414	843,784	31,740	19,645
Other payables	17	444,386	441,113	16,055	51,398
Due to related parties	13	–	–	58,943	43,288
Borrowings	18	301,720	585,467	221,830	325,134
Tax payable		209	12,292	–	5,775
		1,691,729	1,882,656	328,568	445,240
Net current assets		808,400	420,289	1,177,947	501,417
		2,788,499	1,601,584	1,699,536	703,768

Balance Sheets
as at 31 December 2008 (cont'd)

		Group		Company	
	Note	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Financed by:					
Capital and reserves					
Share capital	27	385,749	338,966	385,749	338,966
Irredeemable Convertible Preference Shares	28	5,685	16,567	5,685	16,567
Share premium	29	367,916	140,942	367,916	140,942
Reserves	30	428,865	392,327	151,924	106,678
		1,188,215	888,802	911,274	603,153
Minority interests	31	169,045	279,030	–	–
Total equity		1,357,260	1,167,832	911,274	603,153
Long-term liabilities					
Trade payables	16	96,391	70,980	–	–
Other payables	17	497,491	–	214,539	–
Borrowings	18	831,230	357,330	573,723	100,615
Deferred tax liabilities	32	6,127	5,442	–	–
		1,431,239	433,752	788,262	100,615
		2,788,499	1,601,584	1,699,536	703,768

The accompanying notes form an integral part of the financial statements.

Income Statements

for the financial year ended 31 December 2008

	Note	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Revenue	33	3,795,487	2,781,701	579,185	497,035
Cost of sales	34	(3,608,439)	(2,477,131)	(406,926)	(330,091)
Gross profit		187,048	304,570	172,259	166,944
Other operating income	35	66,500	60,838	45,445	16,707
Administration expenses		(63,807)	(55,319)	(19,340)	(16,837)
Other expenses		(7,727)	(9,433)	(88,115)	(29,136)
		182,014	300,656	110,249	137,678
Finance costs	36	(43,757)	(26,930)	(29,050)	(12,517)
		138,257	273,726	81,199	125,161
Share of results in associates		20,583	9,804	–	–
Profit before taxation	37	158,840	283,530	81,199	125,161
Taxation	38	(13,052)	(54,404)	(20,384)	(38,275)
Profit after taxation		145,788	229,126	60,815	86,886
Attributable to:					
Equity holders of the Company		101,770	147,862	60,815	86,886
Minority interests	31	44,018	81,264	–	–
		145,788	229,126	60,815	86,886
Earning per share attributable to equity holders of the Company (sen)					
- Basic	39 (i)	13.12	23.04		
- Fully diluted	39 (ii)	13.01	22.44		

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2008

		← Attributable to equity holders of the Company →													
				← Non-Distributable →							← Distributable →				
	Note	Share capital (Note 27) RM'000	Preference share (Note 28) RM'000	Share premium (Note 29) RM'000	Warrant reserve (Note 30) RM'000	Revaluation reserve (Note 30) RM'000	Other reserve (Note 30) RM'000	Capital reserve (Note 30) RM'000	Equity compensation reserve (Note 30) RM'000	Exchange reserve (Note 30) RM'000	General reserve (Note 30) RM'000	Retained profits (Note 30) RM'000	Total RM'000	Minority interest (Note 31) RM'000	Total equity RM'000
Group															
At 1 January 2007		214,250	–	32,848	–	861	1,454	1,400	1,295	(15,394)	1,493	354,864	593,071	163,102	756,173
Foreign currency translation differences		–	–	–	–	–	–	–	–	(11,762)	–	–	(11,762)	(2,797)	(14,559)
Realisation of other reserves	30(b)	–	–	–	–	–	(704)	–	–	–	–	704	–	–	–
Net expense recognised directly in equity		–	–	–	–	–	(704)	–	–	(11,762)	–	704	(11,762)	(2,797)	(14,559)
Profit for the financial year		–	–	–	–	–	–	–	–	–	–	147,862	147,862	81,264	229,126
Total recognised income and expense for the financial year		–	–	–	–	–	(704)	–	–	(11,762)	–	148,566	136,100	78,467	214,567
Dividends	40	–	–	–	–	–	–	–	–	–	–	(33,431)	(33,431)	–	(33,431)
Issue of ICPS	27 & 28	–	50,466	100,932	–	–	–	–	–	–	–	–	151,398	–	151,398
Dividends paid to minority shareholders	31	–	–	–	–	–	–	–	–	–	–	–	–	(3,360)	(3,360)
Share options granted under ESOS	37 (b)	–	–	–	–	–	–	–	2,753	–	–	–	2,753	–	2,753
Share options granted under ESOS of a subsidiary	31	–	–	–	–	–	–	–	–	–	–	–	–	1,164	1,164
Arising from share options exercised	27 & 29	15,119	–	29,479	–	–	–	–	–	–	–	–	44,598	–	44,598
Arising from bonus issue		75,698	–	(25,000)	–	–	–	–	–	–	–	(50,698)	–	–	–
Arising from conversion of ICPS	28	33,899	(33,899)	–	–	–	–	–	–	–	–	–	–	–	–
Transfer within reserve for ESOS exercised		–	–	2,683	–	–	–	–	(2,683)	–	–	–	–	–	–
Arising from dilution of subsidiaries		–	–	–	–	–	–	–	–	–	–	(5,687)	(5,687)	39,657	33,970
Amount transferred to capital reserve on bonus issue of a subsidiary		–	–	–	–	–	–	1,446	–	–	–	(1,446)	–	–	–
Transfer of reserve	30(g)(i)	–	–	–	–	–	–	–	–	–	1,123	(1,123)	–	–	–
At 31 December 2007		338,966	16,567	140,942	–	861	750	2,846	1,365	(27,156)	2,616	411,045	888,802	279,030	1,167,832

Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2008 (cont'd)

		← Attributable to equity holders of the Company													
		← Non-Distributable									← Distributable →				
	Note	Share capital (Note 27) RM'000	Preference share (Note 28) RM'000	Share premium (Note 29) RM'000	Warrant reserve (Note 30) RM'000	Revaluation reserve (Note 30) RM'000	Other reserve (Note 30) RM'000	Capital reserve (Note 30) RM'000	Equity compensation reserve (Note 30) RM'000	Exchange reserve (Note 30) RM'000	General reserve (Note 30) RM'000	Retained profits (Note 30) RM'000	Total RM'000	Minority interest (Note 31) RM'000	Total equity RM'000
At 1 January 2008		338,966	16,567	140,942	–	861	750	2,846	1,365	(27,156)	2,616	411,045	888,802	279,030	1,167,832
Foreign currency translation differences		–	–	–	–	–	–	–	–	34,100	–	–	34,100	4,451	38,551
Net income recognised directly in equity		–	–	–	–	–	–	–	–	34,100	–	–	34,100	4,451	38,551
Profit for the financial year		–	–	–	–	–	–	–	–	–	–	101,770	101,770	44,018	145,788
Total recognised income and expense for the financial year		–	–	–	–	–	–	–	–	34,100	–	101,770	135,870	48,469	184,339
Dividends	40	–	–	–	–	–	–	–	–	–	–	(55,156)	(55,156)	–	(55,156)
Share options granted under ESOS	37 (b)	–	–	–	–	–	–	–	5,885	–	–	–	5,885	–	5,885
Arising from share options exercised	27 & 29	4,234	–	6,082	–	–	–	–	–	–	–	–	10,316	–	10,316
Arising from conversion of ICPS	28	10,882	(10,882)	–	–	–	–	–	–	–	–	–	–	–	–
Arising from conversion of warrants		254	–	1,222	–	–	–	–	–	–	–	–	1,476	–	1,476
Arising from voluntary take-over offer of WCT Land Sdn. Bhd. (formerly known as WCT Land Berhad) ("WCTL")		31,413	–	217,971	–	–	–	–	–	–	–	(88,835)	160,549	(165,888)	(5,339)
Arising from issuance of warrants		–	–	-	34,816	–	–	–	–	–	–	–	34,816	–	34,816
Additional investment by minority interest of a subsidiary		–	–	–	–	–	–	–	–	–	–	–	–	1,847	1,847
Arising from incorporation of new subsidiaries		–	–	–	–	–	–	–	–	–	–	–	–	654	654
Transfer within reserve for ESOS exercised	29	–	–	1,573	–	–	–	–	(1,573)	–	–	–	–	–	–
Transfer within reserve for warrants exercised	29	–	–	126	(126)	–	–	–	–	–	–	–	–	–	–
Revaluation increase of freehold land and building		–	–	–	–	5,519	–	–	–	–	–	–	5,519	4,933	10,452
Reversal of defered tax on revaluation reserve		–	–	–	–	138	–	–	–	–	–	–	138	–	138
Transfer of reserve	30(g)(i)	–	–	–	–	–	(163)	–	–	–	–	163	–	–	–
At 31 December 2008		385,749	5,685	367,916	34,690	6,518	587	2,846	5,677	6,944	2,616	368,987	1,188,215	169,045	1,357,260

The accompanying notes form an integral part of the financial statements.

Statement of Changes in Equity

for the financial year ended 31 December 2008

		←		Non-Distributable			→	Distributable	
	Note	Share capital (Note 27) RM'000	Preference share (Note 28) RM'000	Share premium (Note 29) RM'000	Warrant reserve (Note 30) RM'000	Revaluation reserve (Note 30) RM'000	Equity compensation reserve (Note 30) RM'000	Retained profits (Note 30) RM'000	Total equity RM'000
Company									
At 1 January 2007		214,250	–	32,848	–	861	1,295	101,695	350,949
Dividends	40	–	–	–	–	–	–	(33,431)	(33,431)
Share options granted under ESOS	37 (b)	–	–	–	–	–	1,438	–	1,438
Share options granted under ESOS included in investment in subsidiaries	6	–	–	–	–	–	1,315	–	1,315
Arising from share options exercised	27 & 29	15,119	–	29,479	–	–	–	–	44,598
Issue of ICPS	27 & 28	–	50,466	100,932	–	–	–	–	151,398
Arising from bonus issue		75,698	–	(25,000)	–	–	–	(50,698)	–
Arising from conversion of ICPS	28	33,899	(33,899)	–	–	–	–	–	–
Transfer within reserve for ESOS exercised		–	–	2,683	–	–	(2,683)	–	–
Profit for the financial year		–	–	–	–	–	–	86,886	86,886
At 31 December 2007		338,966	16,567	140,942	–	861	1,365	104,452	603,153
At 1 January 2008		338,966	16,567	140,942	–	861	1,365	104,452	603,153
Dividends	40	–	–	–	–	–	–	(55,156)	(55,156)
Share options granted under ESOS	37 (b)	–	–	–	–	–	2,691	–	2,691
Share options granted under ESOS included in investment in subsidiaries	6	–	–	–	–	–	3,194	–	3,194
Arising from share options exercised	27 & 29	4,234	–	6,032	–	–	–	–	10,266
Arising from conversion of ICPS		10,882	(10,882)	–	–	–	–	–	–
Arising from conversion of warrants		254	–	1,272	–	–	–	–	1,526
Arising from voluntary take-over offer		31,413	–	217,971	–	–	–	–	249,384
Arising from issuance of warrants		–	–	–	34,816	–	–	–	34,816
Transfer within reserve for ESOS exercised	29	–	–	1,573	–	–	(1,573)	–	–
Transfer within reserve for warrants exercised	29	–	–	126	(126)	–	–	–	–
Revaluation increase of freehold land and building		–	–	–	–	585	–	–	585
Profit for the financial year		–	–	–	–	–	–	60,815	60,815
At 31 December 2008		385,749	5,685	367,916	34,690	1,446	5,677	110,111	911,274

The accompanying notes form an integral part of the financial statements.

Cash flow Statements

for the financial year ended 31 December 2008

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cash flows from operating activities				
Profit before taxation	158,840	283,530	81,199	125,161
Adjustments for:				
Interest income	(16,454)	(17,909)	(20,941)	(7,394)
Dividend income	–	–	(84,803)	(113,580)
Interest expense	43,757	26,930	29,050	12,517
Net unrealised foreign exchange (gain)/loss	(13,323)	8,717	(20,946)	10,946
Provision for building maintenance	40	107	–	–
Provision for doubtful debts				
- third parties	–	2,580	–	–
- jointly controlled entities	–	–	86,960	23,477
Property, plant and equipment				
- depreciation	5,043	6,864	1,155	748
- gain on disposal	(1,298)	(4,122)	(86)	(43)
- loss on disposal	46	–	–	–
- written off	136	–	–	–
- revaluation	–	450	–	–
- reversal of downward revaluation	(155)	–	(155)	–
Bad debts written off	(90)	–	–	–
Write down in value of property stock	4	3,173	–	2,186
(Reversal of)/provision for foreseeable losses for contract work in progress	(14,002)	29,952	–	–
Share options granted under ESOS	5,951	3,917	2,691	1,438
Share of results in associates	(20,583)	(9,804)	–	–
Reversal of provision for foreseeable losses for:				
- development properties	(4)	(30)	–	–
Gain on the redemption of CRDS	(3,451)	–	–	–
Gain on the call option on CRDS	(1,716)	–	(1,716)	–
Impairment loss/(reversal) on				
- other investment	4,200	2,025	–	2,025
- capital contribution on joint ventures	(2)	–	–	–
Gain arising from partial disposal of equity in subsidiaries	–	(823)	–	(19,720)
Fair value gain on investment properties	(17,255)	(17,953)	–	–
Pre-operating expenses written off	–	27	–	–
Operating profit before working capital changes	129,684	317,631	72,408	37,761
Development expenditure	8,967	(9,355)	–	–
Related parties	(910)	602	(368,615)	(306,033)
Inventories	(56,929)	(65,305)	–	1,982
Receivables	(708,370)	(563,411)	8,369	(10,865)
Payables	629,612	543,123	191,291	(44,801)
Cash flows generated from/(used in) operations	2,054	223,285	(96,547)	(321,956)
Interest paid	(51,150)	(55,389)	(22,147)	(12,517)
Interest received	16,454	17,909	20,941	7,394
Taxation paid	(32,426)	(58,328)	(26,999)	(33,644)
Net cash (used in)/generated from operating activities	(65,068)	127,477	(124,752)	(360,723)

Cash flow Statements

for the financial year ended 31 December 2008 (cont'd)

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cash flows from investing activities				
Dividend received	–	–	84,803	113,580
Dividends paid to minority shareholders in a subsidiary company	–	(3,360)	–	–
Purchase of property, plant and equipment	(122,175)	(159,450)	(2,783)	(2,008)
Proceeds from partial disposal of investment in subsidiaries	–	30,329	–	30,329
Proceeds from disposal of unquoted bonds	–	1,575	–	1,575
Investments in				
- subsidiary companies	–	–	(1,471)	(1,014)
- associated companies	–	–	(134)	–
Acquisition of CRDS A	(58,284)	–	(58,284)	–
Withdrawal/(placement) in:				
- escrow account	717	1,473	–	–
- redemption account	(1,032)	250	–	–
- residual sales account	108,366	10,107	–	–
Proceeds from disposal of property, plant and equipment	25,442	63,788	169	43
Payment of pre-operating expenses	–	(27)	–	–
Refund of share application monies from associates	5,112	–	–	–
Net cash generated from/(used in) investing activities	(41,854)	(55,315)	22,300	142,505
Cash flows from financing activities				
Dividends paid	(55,156)	(33,431)	(55,156)	(33,431)
Additional investment by minority interest in a subsidiary	654	1,271	–	–
Proceeds from bankers' acceptances and revolving credits	80,850	192,844	55,491	104,887
Proceeds from term loans	96,554	128,608	–	–
Proceeds from SUKUK	267,153	–	267,153	–
Proceeds from ICP/IMTN	200,000	25,000	200,000	25,000
Proceeds from share options exercised	10,316	44,598	10,316	44,598
Proceeds from conversion of warrants	1,476	–	1,476	–
Proceeds from issuance of ICPS	–	151,398	–	151,398
Proceeds from issuance of warrants	34,816	–	34,816	–
Payments to hire purchase payables	(8,474)	(47,317)	(752)	(1,253)
Repayment of short term borrowings	(229,263)	(68,454)	(135,885)	–
Repayment of term loans	(122,846)	(198,190)	–	(45,000)
Repayment of ICP	(25,000)	–	(25,000)	–
Incidental costs of issuance of SUKUK	(571)	–	(571)	–
Net cash generated from financing activities	250,509	196,327	351,888	246,199

Cash flow Statements

for the financial year ended 31 December 2008 (cont'd)

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Net increase in cash and cash equivalents	143,587	268,489	249,436	27,981
Exchange differences	(1,545)	6,944	(72)	–
Cash and cash equivalents at beginning of the financial year	552,929	277,496	159,282	131,301
Cash and cash equivalents at end of the financial year	694,971	552,929	408,646	159,282

For the purpose of the cash flow statements, cash and cash equivalents comprise the following as at the balance sheet date:

		Group		Company	
		2008	2007	2008	2007
	Note	RM'000	RM'000	RM'000	RM'000
Deposits with licensed discount houses	14	167,359	141,157	165,360	138,355
Deposits with licensed banks	14	382,960	121,695	222,716	28,531
Cash held under Housing Development Accounts	15	15,176	83,746	–	–
Cash and bank balances	15	149,466	251,613	36,446	6,303
Bank overdrafts	18	(19,990)	(45,282)	(15,876)	(13,907)
		694,971	552,929	408,646	159,282

The cash held under Housing Development Accounts are amounts held pursuant to section 7A of the Housing Development (Control and Licensing) Act, 1966 and are therefore restricted from use in other operations.

Deposits in licensed bank of the Group and of the Company amounting to RM16,049,809 (2007: RM12,941,654) and RM13,279,809 (2007: RM12,941,654) respectively are pledged to banks to secure banking facilities.

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements
- 31 December 2008

1. CORPORATION INFORMATION

The Company is a public limited company, incorporated and domiciled in Malaysia, whose shares are listed on the Main Board of the Bursa Malaysia Securities Berhad ("Bursa Securities"). The registered office of the Company is located at No. 12, Jalan Majistret U1/26, Seksyen U1, Lot 44, Hicom-Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan.

The principal activities of the Company are that of civil engineering works specialising in earthworks, construction of highway, building and related infrastructure works, investment holding and trading in properties and provision of management services to the subsidiaries. The principal activities of the subsidiaries, associates and joint ventures are disclosed in Notes 6, 7 and 8 to the financial statements respectively.

There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

The financial statements were authorised for issue in accordance with a resolution of the Directors on 10 April 2009.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards ("FRS") in Malaysia. At the beginning of the current financial year, the Group and the Company had adopted new and revised FRS which are mandatory for financial periods beginning on 1 January 2008 as described fully in Note 2.3.

These financial statements have been prepared on a historical basis, except for freehold land and buildings included within property, plant and equipment and investment properties, which are measured at their fair values.

The financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency. All values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

2.2 Summary of significant accounting policies

(a) Subsidiaries and basis of consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(a) Subsidiaries and Basis of Consolidation (cont'd)

(ii) Basis of consolidation (cont'd)

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for similar transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

(b) Associates

Associates are entities in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes. In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(b) Associates (cont'd)

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting polices are adopted for similar transactions and events in similar circumstances.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses.

On disposal of such investment, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(c) Jointly controlled entities

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control, that is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

Where the Group entity undertakes its activities under joint venture arrangements directly, the Groups' share of jointly controlled assets and any liabilities incurred jointly with other ventures are recognised in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect in interest in jointly controlled assets are accounted for on an accrual basis. Income from the sales or use of the Group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Group and their amount can be measured reliably.

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities.

The Group recognises its interest in the joint venture using proportionate consolidation. The Group combines its share of each of the assets, liabilities, income and expenses of the joint venture with similar items, line by line, in its consolidated financial statements. The financial statements of the joint venture are prepared for the same reporting period as the parent company. Adjustments are made when necessary to bring the accounting policies into line with those of the Group.

Adjustments are made in the Group's financial statements to eliminate the Group's share of unrealised gains and losses on transactions between the Group and its jointly controlled entity. Losses on transactions are recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss. The joint venture is proportionately consolidated until the date on which the Group ceases to have joint control over the joint venture.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(d) Property, plant and equipment, and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Subsequent to initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses except for freehold land and buildings which are measured at revalued amount, which is the fair value at the date of the revaluation less any accumulated impairment losses. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers. Revaluations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from that which would be determined using fair values at the balance sheet date. Any revaluation surplus is credited to the revaluation reserve included within equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss to the extent of the decrease previously recognised. A revaluation deficit is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised in profit or loss. Upon disposal or retirement of an asset, any revaluation reserve relating to the particular asset is transferred directly to retained earnings.

Freehold land has an unlimited useful life and therefore is not depreciated. Buildings-in-progress are also not depreciated as these assets are not available for use. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	2%
Plant and machinery	7% - 58%
Motor vehicles	5% - 32%
Office equipment	10% - 50%
Furniture and fittings	10% - 20%
Marine plant, tug and barges	20%
Renovations	15%

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss and the unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

(e) Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(e) Investment properties

Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Investment properties are derecognised when either they have been disposed off when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

(f) Land held for property development and property development cost

(i) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(ii) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the income statement over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the income statement is classified as progress billings within trade payables.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(g) Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs or by reference to the physical completion of the contract.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total of costs incurred on construction contracts plus, recognised profits (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

(h) Impairment of non-financial assets

The carrying amounts of the Group's assets, other than investment properties, construction contract assets, property development costs, inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(i) Inventories

Inventories comprising properties held for sale and consumable stocks are stated at lower of cost and net realisable value.

Cost of property stocks is determined on the specific identification basis and comprises cost associated with the acquiring of land, direct construction cost and appropriate proportions of common cost.

Cost of consumable stocks is determined using the first in, first out method and comprises the cost of purchase plus the cost of bringing the goods to its present condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Cash and Cash Equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank, and deposits at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts, cash placements in Finance Service Reserve Account, escrow and redemption accounts.

(ii) Other non-current investments

Non-current investments other than investments in subsidiaries, associates and jointly controlled entities are stated at cost less impairment losses. Impairment losses are recognised for all decline in value other than temporary. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in profit or loss.

(iii) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(iv) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(j) Financial Instruments (cont'd)

(v) Interest Bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

(vi) Convertible Redeemable Debt Securities ("CRDS")

The CRDS are regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible debt securities. The difference between the proceeds of issue of the CRDS and the fair value assigned to the liability component, representing the conversion option is included in equity. The liability component is subsequently stated at amortised cost using the effective interest rate method until extinguished on conversion or redemption, whilst the value of the equity component is not adjusted in subsequent periods. Attributable transaction costs are apportioned and deducted directly from the liability and equity components based on their carrying amounts at the date of issue.

Under the effective interest rate method, the interest expense on the liability component is calculated by applying the market interest rate for a similar non-convertible debt securities to the instrument. The difference between this amount and the interest paid is added to the carrying value of the convertible debt securities.

(vii) Islamic Serial Redeemable Bonds ("SUKUK")

The SUKUK are issued in accordance with the Islamic finance concept of Musyarakah. In accordance with such concept, the Company and the Sukukholder entered into a joint venture established pursuant to the terms of Musyarakah Agreement. The Musyarakah Venture is to participate directly into the general business of the Company. The primary subscriber as the initial Sukukholder contributed RM300 million to the capital of Musyarakah Venture. As a complement to the contribution made by the primary subscriber, the Company grants Warrants rights which were detached from the SUKUK upon issuance and offered to the entitled shareholders of the Company. The total proceeds arising from the Warrants was channel to the Musyarakah Venture as part of the Sukukholders capital contribution.

The proceed from the Issue of Warrants, net of issue costs, will be credited to a warrants reserve account which is non-distributable. Warrants reserve will be transferred to the share premium accounts upon the exercise of warrants and the warrants reserve in relation to the unexercised warrants on the expiry date of the exercise period will be transferred to retained earning.

Further details of the SUKUK in issue are disclosed in Note 26 to the financial statements.

(viii) Equity instruments

Ordinary shares

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(j) Financial Instruments (cont'd)

(viii) Equity instruments (cont'd)

Preference shares

Preference shares are recorded at the amount of proceeds received, net of transaction cost. Preference shares are classified as equity if they are non-redeemable and dividends are discretionary at the option of the issuer. Preference shares are classified as liability if they are redeemable on a specific date or at the option of the shareholders and dividends thereon are recognised in the income statement as interest expense. Preference shares that are compound instruments are split into liability and equity components. Each component is accounted for separately.

(k) Leases

Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases, with the following exception that property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease as described in Note 2.2(e).

(i) Finance lease - the Group as Lessee

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Company's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting year.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in Note 2.2(d).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(k) Leases (cont'd)

(ii) Operating lease - the Group as Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

(iii) Operating Leases - the Group as Lessor

Assets leased out under operating leases are presented on the balance sheets according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease as described in Note 2.2(s)(iv). Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets in deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(m) Income Tax

Income tax on the profit or loss for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(n) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(o) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

The Group does not have any defined contribution plan except as required by law to make contributions to the Employee Provident Fund ("EPF").

The Group contributes to the pensions scheme for Gulf Cooperation Council. This is a defined contribution pension plan and the Group's contributions are charged to the income statement in the year to which they relate.

Expatriate employees of the Group are paid leaving indemnity in accordance with the provisions of the Gulf Cooperation Council Law . The Group accrues for its liability in this respect on an annual basis.

(iii) Share-based compensation

The WCT Berhad (formerly known as WCT Engineering Berhad) ESOS ("ESOS"), equity-settled, share-based compensation plans which allow the Group's employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

In the previous financial year WCT Land Sdn. Bhd. (formerly known as WCT Land Berhad) ESOS is equity settled, share-based compensation plans which allow the employees of WCTL and its subsidiary companies to acquired ordinary share of WCTL.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(o) Employee benefits (cont'd)

(iii) Share-based compensation (cont'd)

At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in the profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the option expires, upon which it will be transferred directly to retained earnings.

The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium when the options are exercised.

(p) Bai Bithaman Ajil Islamic Debt Securities ("BAIDS")

The BAIDS are bonds issued in accordance with the Islamic finance concept of Bai Bithaman Ajil. In accordance with such concept, the Group and the Company sold certain assets to a trustee, and repurchased them at the same price together with an agreed profit margin. The payment of the purchase price is deferred in accordance with the maturities of the BAIDS, whilst the profit element is paid half-yearly.

BAIDS are initially recognised at cost, being the fair value of the consideration received. After initial recognition, the profit element attributable to the BAIDS in each period is recognised as an expense at a constant rate to the maturity of each series respectively. Further details of the BAIDS in issue are disclosed in Note 25.

(q) Islamic Serial Redeemable Bonds ("SUKUK")

The SUKUK with periodic payments is issued under the Islamic principle of Musyarakah which is a contract of partnership in venture.

The Sukuk is initially stated at cost, being the fair value of the consideration received. After initial recognition, the profit element attributable to the Sukuk in each period is recognised as an expense at a constant rate to its maturity.

(r) Foreign currencies

Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(i) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(r) Foreign currencies (cont'd)

(i) Foreign currency transactions (cont'd)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, are recognised in profit or loss for the period. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(ii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;

- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and

- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the balance sheet date. Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiaries before 1 January 2006 are deemed to be assets and liabilities of the parent company and are recorded in RM at the rates prevailing at the date of acquisition.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(s) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of properties

Revenue from sale of properties is accounted for by the stage of completion method as described in Note 2.2(f)(ii).

Revenue from sale of completed property units and land is recognised when the risk and rewards association to ownership have been transferred to purchasers with no substantial contractual acts to complete.

(ii) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.2(g).

(iii) Sale of goods

Revenue is recognised net of sales taxes and upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(iv) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

(v) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(vi) Hiring of machineries

Rental income from hiring of machineries is recognised on an accrual basis when the rights to receive payments are established.

(vii) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(viii) Management fees

Management fees are recognised when services are rendered.

(ix) Car park income

Car park income are recognised when services are rendered.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Changes in accounting policies, effects Arising from Adoption of New and Revised FRSs

On 1 January 2008, the Group and the Company adopted the following revised FRSs and amendment to FRS and interpretations:

FRS 107 - Cash Flow Statements
FRS 111 - Construction Contracts
FRS 112 - Income Taxes
FRS 118 - Revenue
FRS 120 - Accounting for Government Grants and Disclosure of Government Assistance
FRS 126 - Accounting and Reporting by Retirement Benefit Plans
FRS 129 - Financial Reporting in Hyperinflationary Economies
FRS 134 - Interim Financial Reporting
FRS 137 - Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 121 - The Effects of Changes in Foreign
Exchange Rates - Net Investment in a Foreign Operation
IC Interpretation 1 - Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2 - Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5 - Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6 - Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7 - Applying the Restatement Approach under FRS 129_{2004} - Financial Reporting in Hyperinflationary Economies
IC Interpretation 8 - Scope of FRS 2

(a) Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation

Prior to 1 January 2008, exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation are recognised in equity in the consolidated financial statements only when that monetary item is denominated either in the functional currency of the reporting entity or the foreign operation. If the monetary item is denominated in a currency other than the functional currency of the reporting entity or the foreign operation, the exchange differences are recognised in profit or loss. Under the Amendment to FRS 121, such exchange differences should always be recognised in equity in the consolidated financial statements and should not be dependent on the currency of the monetary item.

(b) Standards and Interpretations Issued but Not Yet Effective

Financial reporting standards amendments to FRS and interpretations	Effective for financial periods beginning on or after
FRS 139 - Financial Instruments: Recognition and Measurement	1 January 2010
FRS 7 - Financial Instruments : Disclosure	1 January 2010
FRS 8 - Operating Segments	1 July 2009
IC Interpretation 9 - Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10 - Interim Financial Reporting and Impairment	1 January 2010

The new FRS and Interpretations above are expected to have no significant impact on the financial statements of the Company upon their initial application except for the changes in disclosures arising from the adoption of FRS 7 and FRS 8.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Changes in accounting policies, effects Arising from Adoption of New and Revised FRSs (cont'd)

(b) Standards and Interpretations Issued but Not Yet Effective (cont'd)

The Company is exempted from disclosing the possible impact, if any, to the financial statements upon the initial adoption of FRS 139.

In August 2008, the MASB announced its plan to bring Malaysia to full convergence with International Financial Reporting Standards ("IFRS") by 1 January 2012. The financial impact and effects on disclosures and measurement ensuing from such convergence are currently still being assessed pending the issuance of such revised FRSs incorporating the full convergence.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

(a) Critical judgements made in applying accounting policies

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(i) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(ii) Contract variation

Contract variations are recognised as revenues to the extent that it is probable that they will results in revenue which can be realiably measured. This requires the exercise of judgement by management based on prior experience, application of contract terms and relationship with the contract owners.

(iii) Percentage-of-completion

The Group uses the percentage-of-completion method in accounting for its construction contracts services. Use of the percentage-of-completion method requires the Group to estimate the proportion of work performed to date as a proportion of the total work to be performed and it is management's judgement that the use of costs to date in proportion to total estimated costs provides the most appropriate measure of percentage completion.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Significant accounting judgements, estimates and assumptions (cont'd)

(a) Critical judgements made in applying accounting policies (cont'd)

(iv) Arbitration proceedings

Note 48 describes a contract dispute that is currently in process between a jointly controlled entity in which the Company has a 50% share (the "Joint Venture") and a customer. The calling of the Performance Security ("Security") and their encashment subsequent to the year-end, including the claim presented, raises questions about the accounting treatment for the transaction. In light of the contract dispute arising, the directors consider the amount of the encashed Security as amounts receivable from the contract owner pending resolution of the dispute.

In making this judgement, the Directors considered the criteria in FRS 110 *Events after the Balance Sheet Date* for recognising the liability prior to the year-end, in conjunction with *The Framework for the Preparation and Presentation of Financial Statements* and with FRS 137 *Provisions, Contingent Liabilities and Contingent Assets* in considering whether the amounts payable can be recognised as an asset to the Group. In particular, consideration was given to whether the calling of the Security indicated that the Group had a present legal obligation as a result of a past event, and whether it is probable that recognition of the asset will result in future economic benefits flowing to the Group. As the call on the Security occurred prior to year end, in spite of the encashment occurring after the balance sheet date, the Directors considered this to be a legal obligation as a result of a past event and has recorded the resulting liability.

Further, in view of the Directors' judgement that the contract termination and call on the Securities was not justified, and following receipt of preliminary legal opinion on the arbitration proceedings initiated by the Joint Venture, the Directors consider that the outcome of the proceedings will be favorable and has recognised the amount of the Securities as a receivable, and not as an expense on the basis of the probability that any losses or additional costs to be borne by the Joint Venture is minimal and the Joint Venture has a contractual right to recoup the Security.

(v) Joint ventures

The Group reports its interest in joint ventures/jointly controlled entities using the proportion consolidated method which Directors consider appropriately recognised the substance of the business arrangements.

(vi) Construction costs estimate

The Group uses internal quantity surveyors together with project managers to estimate the costs to complete construction contracts. Factors such as escalation of material prices, labor costs and other costs are included in the construction cost based on estimates.

(vii) Allowance for slow-moving inventories

Inventories are stated at the lower of cost or market. Adjustments to reduce cost of inventory to net realisable value, if required are made at the product level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include change in demand, technological changes, physical deterioration and quality issues.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Significant accounting judgements, estimates and assumptions (cont'd)

(a) Critical judgements made in applying accounting policies (cont'd)

(viii) Allowance for bad and doubtful debts

Allowance for doubtful debt is determined using a combination of factors, including the overall quality and ageing of receivables, continuing credit evaluation of the customers' financial strength and collateral requirements from customers in certain circumstances. The Directors make allowance for doubtful debts based on its best estimates at the balance sheet date.

(xi) Operating lease commitments - the Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

(b) Key sources of estimation and uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Construction contracts and property development

The Group recognises construction contracts and property development revenue and expenses in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that construction contracts and property development costs incurred for work performed to date bear to the estimated total construction contracts and property development costs, respectively or by reference to physical stage of completion.

Significant judgement is required in determining the stage of completion, the extent of the construction contracts and property development costs incurred, the estimated total construction contracts and property development revenue and costs of the physical completion, as well as the recoverability of the construction contracts and development projects. In making the judgement, the Directors evaluate based on past experience and by relying on the work of specialists.

(ii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Notes to the Financial Statements
- 31 December 2008 (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Significant accounting judgements, estimates and assumptions (cont'd)

(b) Key sources of estimation and uncertainty (cont'd)

(iii) Impairment of investments

The Directors determine whether the carrying amounts of its investments are impaired at balance sheet date. This involves measuring the recoverable amounts which includes fair value less costs to sell and valuation techniques. Valuation techniques include amongst others, discounted cash flows analysis and in some cases, based on published analysts' reports and current market indicators and estimates that provide reasonable approximations to the detailed computation.

For the investment with the indication of impairment, the management perform discounted cash flow analysis. The discount rates and growth rates used reflect, amongst others, the maturity of the business development cycle as well as the industry growth potential. The discount rates applied to the respective cash flow projections range between 11% to 12% (2007: 12% to 13%). The growth rates used to forecast the projected cash flows for the following financial year approximate the performances of the respective investments based on the latest available management accounts.

Based on the opinion of the Directors, adequate impairment loss has been recognised in the income statement and the management's assessments have provided reasonable assumptions that the carrying amount of investments at the balance sheet date are not impaired.

(iv) Employee share options

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the employee share options at the date at which they are granted. Judgement is required in determining the most appropriate valuation model for the share options granted, depending on the terms and conditions of the grant. Management is also required to use judgement in determining the most appropriate inputs to the valuation model including volatility and dividend yield. The assumptions and model used are disclosed in Note 27(b).

3. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovations, office equipment, furniture and fittings RM'000	Marine plant, tug and barges RM'000	Building work In progress RM'000	Total RM'000
Group								
As at 31 December 2008								
Cost/valuation								
At 1 January 2008	20,853	7,148	325,118	54,635	25,713	16,749	4,631	454,847
Additions	–	923	102,115	9,271	8,415	–	6,971	127,695
Revaluation surplus	7,558	2,809	–	–	–	–	–	10,367
Disposals	–	–	(26,632)	(5,622)	(539)	–	–	(32,793)
Written off	–	–	–	(147)	(45)	–	–	(192)
Exchange differences	297	118	13,628	1,088	662	462	–	16,255
At 31 December 2008	28,708	10,998	414,229	59,225	34,206	17,211	11,602	576,179
Accumulated depreciation and impairment								
At 1 January 2008	–	80	94,587	21,818	12,109	4,520	–	133,114
Depreciation charge for the financial year	–	410	59,692	5,354	5,707	2,493	–	73,656
Disposals	–	–	(6,299)	(2,150)	(154)	–	–	(8,603)
Written off	–	–	–	(12)	(44)	–	–	(56)
Adjustment on revaluation	–	(240)	–	–	–	–	–	(240)
Exchange differences	–	9	4,429	291	284	213	–	5,226
At 31 December 2008	–	259	152,409	25,301	17,902	7,226	–	203,097
Net carrying amount								
At 31 December 2008	28,708	10,739	261,820	33,924	16,304	9,985	11,602	373,082

Notes to the Financial Statements
- 31 December 2008 (cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovations, office equipment, furniture and fittings RM'000	Marine plant, tug and barges RM'000	Building work In progress RM'000	Total RM'000
Group								
As at 31 December 2007								
Cost/valuation								
At 1 January 2007	18,990	7,148	350,989	40,242	16,260	17,488	37,252	488,369
Additions	2,794	–	80,896	19,098	10,273	–	240,544	353,605
Transferred to investment properties (Note 5)	–	–	–	–	–	–	(273,165)	(273,165)
Disposals	–	–	(94,883)	(3,888)	(75)	–	–	(98,846)
Written off	–	–	–	–	(7)	–	–	(7)
Downward revaluation recognised in profit or loss (Note 37(a))	(450)	–	–	–	–	–	–	(450)
Exchange differences	(481)	–	(11,884)	(817)	(738)	(739)	–	(14,659)
At 31 December 2007	20,853	7,148	325,118	54,635	25,713	16,749	4,631	454,847
Accumulated depreciation and impairment								
At 1 January 2007	–	–	91,252	20,347	8,884	2,096	–	122,579
Depreciation charge for the financial year	–	80	41,724	4,119	3,431	2,506	–	51,860
Disposals	–	–	(36,610)	(2,505)	(65)	–	–	(39,180)
Written off	–	–	–	–	(7)	–	–	(7)
Exchange differences	–	–	(1,779)	(143)	(134)	(82)	–	(2,138)
At 31 December 2007	–	80	94,587	21,818	12,109	4,520	–	133,114
Net carrying amount								
At 31 December 2007	20,853	7,068	230,531	32,817	13,604	12,229	4,631	321,733

Notes to the Financial Statements
- 31 December 2008 (cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovations, office equipment, furniture and fittings RM'000	Total RM'000
Company						
Cost/valuation						
At 1 January 2008	3,000	4,000	197	5,959	4,200	17,356
Additions	–	–	–	1,849	1,430	3,279
Disposals	–	–	–	(606)	(17)	(623)
Revaluation surplus	400	100	–	–	–	500
Exchange differences	–	–	–	57	27	84
At 31 December 2008	3,400	4,100	197	7,259	5,640	20,596
Accumulated depreciation and impairment						
At 1 January 2008	–	80	197	3,159	2,273	5,709
Depreciation charge for the financial year	–	160	–	365	630	1,155
Adjustment on revaluation	–	(240)	–	–	–	(240)
Disposals	–	–	–	(523)	(17)	(540)
Exchange differences	–	–	–	7	5	12
At 31 December 2008	–	–	197	3,008	2,891	6,096
Net carrying amount						
At 31 December 2008	3,400	4,100	–	4,251	2,749	14,500

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovations, office equipment, furniture and fittings RM'000	Total RM'000
Company						
Cost/valuation						
At 1 January 2007	3,000	4,000	197	4,643	2,349	14,189
Additions	–	–	–	1,447	1,866	3,313
Disposals	–	–	–	(131)	(15)	(146)
At 31 December 2007	3,000	4,000	197	5,959	4,200	17,356
Accumulated depreciation and impairment						
At 1 January 2007	–	–	197	3,027	1,883	5,107
Depreciation charge for the financial year	–	80	–	263	405	748
Disposals	–	–	–	(131)	(15)	(146)
At 31 December 2007	–	80	197	3,159	2,273	5,709
Net carrying amount						
At 31 December 2007	3,000	3,920	–	2,800	1,927	11,647

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Except for freehold land and buildings, which are carried at valuation less accumulated depreciation, all other categories of property, plant and equipment are carried at costs less accumulated depreciation. Freehold land and buildings were revalued on 31 December 2008 by the Directors based on the valuation performed by Henry Butcher, Malaysia (SEL.) Sdn. Bhd., members of the Institution of Surveyors, Malaysia. Valuations were made using comparison method on the basis of open market value. Details of independent professional valuations of the freehold land and buildings of the Group and of the Company at 31 December 2008 are as follows:

Year of valuation	Description of property	Market value RM'000	Basis of valuation
2008	Freehold land and building at No. 12, Jalan Majistret U1/26 Seksyen U1 Lot 44, Hicom-Glenmarie Industrial Park 40150 Shah Alam Selangor Darul Ehsan	7,500	Open market value
2008	Freehold land at HS (D) 14948, 14949 PT 97 & 98 Pekan Teluk Kemang Daerah Port Dickson Negeri Sembilan	3,200	Open market value
2008	Title no. 141783 Plot no. 12001923 South-West of Raszuwaid and North of National Petrol Services, Bahrain	25,131	Open market value
		35,831	

Had the revalued freehold land and buildings been carried at cost, the carrying amount of these assets as at 31 December 2008 would have been as follows:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Freehold land and buildings				
Cost	27,039	11,774	7,178	7,178
Accumulated depreciation	(1,609)	(1,247)	(1,350)	(1,247)
Net book value	25,430	10,527	5,828	5,931

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Analysis of cost and valuation of freehold land and buildings are as follows:

	Freehold land		Building	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Group				
Cost	3,875	14,653	–	3,148
Valuation	24,833	6,200	10,998	4,000
	28,708	20,853	10,998	7,148
Accumulated depreciation	–	–	(259)	(80)
	28,708	20,853	10,739	7,068
Company				
Valuation	3,400	3,000	4,100	4,000
Accumulated depreciation	–	–	–	(80)
	3,400	3,000	4,100	3,920

(b) During the financial year, the Group and the Company acquired property, plant and equipment by way of the following:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cash	122,175	162,563	2,783	2,008
Hire purchase	5,520	16,142	496	1,305
Term loans	–	122,600	–	–
Revolving credits	–	52,300	–	–
	127,695	353,605	3,279	3,313

As at 31 December 2008 the carrying amounts of property, plant and equipment of the Group and of the Company held under hire purchase arrangements and pledged as securities for bank borrowings were as follows:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Building-in-progress	1,420	702	–	–
Machinery	10,973	15,865	–	–
Motor vehicles	14,487	14,765	2,215	2,783
	26,880	31,332	2,215	2,783

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) Finance costs capitalised during the previous financial year in building-in-progress of the Group amounted RM3,113,366 as disclosed in Note 36.

(d) The Group's share of plant and equipment with net book value of RM18,318,000 (2007 : RM Nil) are held by a customer pursuant to a contract dispute as disclosed in Note 48. The Group's share of net book value of the plant and equipment returned by the customer subsequent to the year end is RM4,078,000. Based on legal opinion obtained, the Directors are confident that the said property, plant and equipment are fully recoverable.

4. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land held for property development

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Group				
Cost				
At 1 January 2007	90,771	8,488	50,376	149,635
Transferred (to)/from property development costs (Note 4(b))	(16,224)	8,842	(3,397)	(10,779)
Additions	111	–	17,274	17,385
At 31 December 2007	74,658	17,330	64,253	156,241
Transferred from property development costs (Note 4(b))	28,578	2,641	31,799	63,018
Additions	2,301	1,156	30,708	34,165
At 31 December 2008	105,537	21,127	126,760	253,424

4. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONT'D)

(b) Property development costs

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Group				
At 31 December 2008				
Cumulative property development costs				
At 1 January 2008	114,918	75,038	208,101	398,057
Cost incurred during the financial year	2,124	1,203	143,036	146,363
Transferred to land held for property development (Note 4(a))	(28,578)	(2,641)	(31,799)	(63,018)
Reversal of completed projects	(15,055)	–	(164,999)	(180,054)
Unsold completed units transferred to inventories	(4,194)	–	(62,788)	(66,982)
At 31 December 2008	69,215	73,600	91,551	234,366
Cumulative costs recognised in income statement				
At 1 January 2008	(5,288)	–	(134,114)	(139,402)
Recognised during the financial year (Note 34)	(17,589)	(2,385)	(92,447)	(112,421)
Reversal of completed projects	15,055	–	164,999	180,054
At 31 December 2008	(7,822)	(2,385)	(61,562)	(71,769)
Property development costs as at 31 December 2008	61,393	71,215	29,989	162,597

4. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONT'D)

(b) Property development costs (cont'd)

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Group				
At 31 December 2007				
Cumulative property development costs				
At 1 January 2007	144,252	83,880	177,836	405,968
Cost incurred during the financial year	52	–	171,614	171,666
Transferred from/(to) land held for property development (Note 4(a))	16,224	(8,842)	3,397	10,779
Reversal of completed projects	(34,729)	–	(116,318)	(151,047)
Transferred to investment properties (Note 5)	(8,020)	–	(9,014)	(17,034)
Unsold completed units transferred to inventories	(2,861)	–	(19,414)	(22,275)
At 31 December 2007	114,918	75,038	208,101	398,057
Cumulative costs recognised in income statement				
At 1 January 2007	(18,311)	–	(132,339)	(150,650)
Recognised during the financial year (Note 34)	(21,706)	–	(118,093)	(139,799)
Reversal of completed projects	34,729	–	116,318	151,047
At 31 December 2007	(5,288)	–	(134,114)	(139,402)
Property development costs as at 31 December 2007	109,630	75,038	73,987	258,655

4. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONT'D)

(b) Property development costs (cont'd)

Development costs are stated net of the following provision for foreseeable losses:

	Group	
	2008 **RM'000**	**2007** **RM'000**
At 1 January	4	34
Reversal of provision for forseeable losses (Note 37(a))	(4)	(30)
At 31 December	–	4

Finance costs of RM10,088,373 (2007: RM17,532,310) were capitalised within development cost during the financial year as disclosed in Note 36.

The freehold and leasehold land held for property development and property development costs with an aggregate carrying amounts of RM391,968,861 (2007: RM356,366,021) are pledged to a financial institution for term loan and bank guarantee facilities obtained as disclosed in Note 22.

In the prior year, the net proceeds from the sale of property development of a subsidiary as disclosed in Notes 14 and 15 were pledged as securities to the CRDS holders (Note 24).

5. INVESTMENT PROPERTIES

	Group	
	2008 **RM'000**	**2007** **RM'000**
At fair value		
At 1 January	403,554	95,402
Transferred from property, plant and equipment (Note 3)	–	273,165
Transferred from development properties (Note 4(b))	–	17,034
Additions	3,672	–
Net gain from fair value adjustment (Note 35)	17,255	17,953
At 31 December	424,481	403,554

Investment properties with an aggregate carrying value of RM86,612,719 (2007: RM86,612,719) are held under lease terms.

Investment properties are stated at their fair value as at 31 December 2008. Valuation were performed by Henry Butcher Malaysia (SEL) Sdn Bhd, a professional independent valuers in accordance with International Valuation Standards Committee Standards using Cost Method and Investment Method.

Investment properties with an aggregate carrying value of RM374,501,451 (2007:RM356,437,368) are pledged as securities for borrowings as disclosed in Note 2 and 22.

6. INVESTMENT IN SUBSIDIARIES

	Company 2008 RM'000	Company 2007 RM'000
At cost		
Unquoted shares	489,216	2,360
Quoted shares	–	104,505
	489,216	106,865
Quoted investment in 3% CRDS A	–	59,501
Unquoted investment in 3% CRDS B	–	11,995
	489,216	178,361
Arising from ESOS granted to subsidiaries' employees	5,328	2,134
	494,544	180,495
Market values as at 31 December:		
- Quoted shares	–	451,462
- Quoted investment in 3% CRDS A	–	226,124
	–	677,586

(a) Incorporation of new subsidiaries

(i) On 28 February 2008, the Company incorporated a new wholly-owned subsidiary, WCT (S) Pte. Ltd.("WCTS"), a corporation incorporated in Singapore. WCTS has an issued and paid-up capital of S$1.00 (or approximately RM2.30).

(ii) On 8 March 2008, the Company established a new 70%-owned subsidiary, Allied WCT LLC ("AWCT"), a corporation incorporated in the Sultanate of Oman. AWCT has an issued and paid-up capital of Omani Riyal 250,000 divided into 250,000 ordinary shares of OR1.00 each. The Company has subscribed and paid for its portion of the initial capital of OR175,000 (or approximately RM1,524,250).

The incorporation of these new subsidiaries has no material effect on the financial position of the Company or the Group.

(b) Acquisition of the remaining share capital of a subsidiary

On 30 November 2007, the Company extended a voluntary take-over offer ("VGO") to the Board of Director of WCT Land Sdn. Bhd. (formerly known as WCT Land Berhad)("WCTL"). The remaining share capital in WCTL was acquired at the offer price of RM2.09 per WCTL share by the issuance of approximately 0.524 new subdivided WCT ordinary shares of RM0.50 each ("WCT Shares") for every 1 WCTL share held. In addition, all the outstanding CRDS A and CRDS B in WCTL were acquired at an issue price of RM4.18 per nominal value of CRDS A or CRDS B by the issuance of approximately 1.049 WCT Shares for every existing CRDS A and CRDS B. A total of 62,825,489 WCT Shares were issued pursuant to the VGO during the financial year. On 28 March 2008, WCTL became a wholly-owned subsidiary of the Company pursuant to the completion of the compulsory acquisition.

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

(c) Dilution of interest in subsidiaries in prior year

(i) The Company disposed of a total of 21,200,000 ordinary shares of RM0.50 each in WCTL in 2007 at prices ranging between RM1.38 and RM1.59. The Company has also swapped a total of 6,385,140 ordinary shares of RM0.50 each in WCTL for 3,192,570 CRDS B in WCTL pursuant to the Swap Option Agreement dated 26 November 2004 (Note 24).

Details of the subsidiaries are as follows:

Name of Company	Country of incorporation	Principal activities	Proportion of ownership interest 2008 (%)	2007 (%)
WCT Construction Sdn. Bhd.	Malaysia	Civil engineering and construction works	100	100
WCT Land Sdn. Bhd. (formerly known as WCT Land Berhad)	Malaysia	Investment holding	100	64.5
WCT Overseas Sdn. Bhd.	Malaysia	Investment holding	100	100
WCT Equity Sdn. Bhd.	Malaysia	Dormant	100	100
WCT Plantations Sdn. Bhd.	Malaysia	Dormant	100	100
WCT (Bahrain) W.L.L. (2)	Kingdom of Bahrain	Management Services	99	99
Cebarco-WCT W.L.L. (1) (Note (c))	Kingdom of Bahrain	Construction	50	50
WCT Offshore (L) Ltd	Malaysia	Investment holding	100	100
WCT Engineering Vietnam Company Limited (1)	Vietnam	Dormant	100	100
BSC-WCT Company Limited (1)	Vietnam	Dormant	67	67
WCT (S) Pte. Ltd. (1)	Singapore	Investment holding	100	–
Allied WCT LLC. (1)	Sultanate of Oman	Dormant	70	–

Notes to the Financial Statements
- 31 December 2008 (cont'd)

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of Company	Country of incorporation	Principal activities	Proportion of ownership interest 2008 (%)	2007 (%)
Held by WCT Construction Sdn. Bhd.:				
WCT Machinery Sdn. Bhd.	Malaysia	Hiring and repair of machineries	100	100
WCT Products Sdn. Bhd.	Malaysia	Trading of building materials	100	100
Intraxis Engineering Sdn. Bhd.	Malaysia	Construction work	60	60
Held by WCT Land Sdn. Bhd. (formerly know as WCT Land Berhad):				
Gemilang Waras Sdn. Bhd.	Malaysia	Property development	100	100
WCT Properties Sdn. Bhd.	Malaysia	Property investment and trading in properties	100	100
Gabungan Efektif Sdn. Bhd.	Malaysia	Property development	100	100
Labur Bina Sdn. Bhd.	Malaysia	Property development	100	100
Jelas Puri Sdn. Bhd.	Malaysia	Property investment and development	100	100
WCT Land Resources Sdn. Bhd.	Malaysia	Investment holding	100	100
Camellia Tropicana Sdn. Bhd.	Malaysia	Property development	100	100
Held by Labur Bina Sdn. Bhd.:				
Labur Bina Management Sdn. Bhd.	Malaysia	Maintenance and management services on developed property	100	100

Notes to the Financial Statements

- 31 December 2008 (cont'd)

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of Company	Country of incorporation	Principal activities	Proportion of ownership interest 2008 (%)	2007 (%)
Held by WCT Land Resources Sdn. Bhd.:				
BBT Mall Sdn. Bhd.	Malaysia	Provision of building management services	100	100
Pantas Merdu Sdn. Bhd.	Malaysia	Investment holding	100	100
BBT Hotel Sdn. Bhd.	Malaysia	Investment in hotel	100	100
Held by WCT Overseas Sdn. Bhd.:				
WCT (International) Private Limited	Republic of Mauritius	Investment holding	100	100
Held by WCT (International) Private Limited:				
WCT (Offshore) Pte. Ltd.	Republic of Mauritius	Investment holding	100	100
Held by WCT (Offshore) Private Limited:				
IWM Constructions Pte. Ltd. (1)	India	Engineering, procurement and construction	61.9	61.9
WCT Infrastructure (India) Pte. Ltd. (1)	India	Investment holding	99.9	99.9

Subsidiaries are audited by Ernst & Young Malaysia except for:

(1) Audited by firms other than Ernst & Young.

(2) Audited by member firms of Ernst & Young Global.

Notes to the Financial Statements

- 31 December 2008 (cont'd)

7. INVESTMENT IN ASSOCIATES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Unquoted shares, at cost	68,856	68,856	520	520
Group's share of post acquisition profit and retained reserves	23,764	3,181	–	–
	92,620	72,037	520	520
Share application monies	86,147	91,259	–	–
Exchange difference	10,335	(22,297)	–	–
	189,102	140,999	520	520
Represented by:				
Group's share of net identifiable assets	189,102	140,999	–	–

Certain of the Group's investment in associates with an aggregate carrying amount of RM63,217,360 (2007: RM60,164,615) are pledged as securities for credit facilities granted to the associates and the respective subsidiaries of the associates.

Details of the associates are as follows:

Name of associates	Country of incorporation	Principal activities	Proportion of ownership interest 2008 (%)	Proportion of ownership interest 2007 (%)
Khalid Abdulrahim Group WCT W.L.L.	Bahrain	Construction	50	50
Held by WCT (International) Private Limited:				
Gamuda-WCT (Offshore) Private Ltd. and its subsidiary	Republic of Mauritius	Investment holding	30	30
- Mapex Infrastructure Private Ltd.	India	Highway concessionaire	30	30
Suria Holding (Offshore) Pvt. Ltd. and its subsidiary	Republic of Mauritius	Investment holding	30	30
- Emas Expressway Private Ltd.	India	Highway concessionaire	30	30

7. INVESTMENT IN ASSOCIATES

Name of associates	Country of incorporation	Principal activities	Proportion of ownership interest 2008 (%)	Proportion of ownership interest 2007 (%)
Held by WCT (Offshore) Private Limited:				
Gamuda-WCT (India) Private Ltd.	India	Engineering, procurement and construction	30	30
Swarna Tollway Private Ltd.	India	Highway concessionaire	21.6	21.6
Held by WCT Infrastructure (India) Private Limited:				
Perdana Highway Operations Private Ltd.	India	Investment holding	50	50

The financial year end of the above associates is coterminous with that of the Group.

The summarised financial information of the associates is as follows:

	2008 RM'000	2007 RM'000
Assets and liabilities		
Current assets	321,943	319,381
Non-current assets	1,254,113	1,535,162
Current liabilities	(149,201)	(184,115)
Non-current liabilities	(538,051)	(719,491)
Net Assets	888,804	950,937
Results		
Revenue	234,708	215,283
Profit after taxation	64,120	34,434
Share of associate profit	20,583	9,804

8. JOINTLY CONTROLLED ENTITIES

	Company 2008 RM'000	Company 2007 RM'000
Capital contribution	15,380	15,246
Impairment of capital contribution	(15,246)	(15,246)
	134	–

Details of the incorporated / unincorporated jointly controlled entities are as follows:

Name of jointly controlled entities	Country of operation	Principal activities	Proportion of ownership interest 2008 (%)	Proportion of ownership interest 2007 (%)
Malaysia-China Hydro Joint Venture	Malaysia	Construction	7.7	7.7
Gamuda Berhad - WCT Engineering Berhad Joint Venture	Qatar	Engineering and construction of a new highway from the town of Shahaniya to the existing Zekreet interchange near the Dukhan Industrial area in the state of Qatar	49	49
Sinohydro Corporation - Gamuda Berhad - WCT Engineering Berhad Joint Venture	Qatar	Design and construction of the airfield facilities, tunnel and detention pond of the New Doha International Airport in the state of Qatar	49	49
Gamuda-WCT (Bahrain) Joint Venture	Bahrain	Trading of building materials	49	49
AES-WCT Joint Venture	Emirate of Dubai	Engineering and construction of infrastructure works including sewerage, storm water and irrigation networks of the Dubai World Central International Airport in Emirate of Dubai	50	50

Notes to the Financial Statements
- 31 December 2008 (cont'd)

8. JOINTLY CONTROLLED ENTITIES (CONT'D)

Name of jointly controlled entities	Country of operation	Principal activities	Proportion of ownership interest 2008 (%)	2007 (%)
Arabtec Construction LLC - WCT Engineering Joint Venture	Emirate of Dubai	Construction of the main building works, external works and infrastructure works of the Nad Al Sheba Racecourse in Emirate of Dubai	50	50
AES-WCT Contracting LLC	Emirate of Dubai	Road, bridges and dam contracting	49	–

All jointly controlled entities are unincorporated except for AES-WCT Contracting LLC.

Incorporation of a new jointly controlled entity

On 25 February 2008, Arabtec Construction LLC and the Company entered into a joint venture agreement to incorporate a new jointly controlled entity, AES-WCT Contracting LLC, a corporation incorporated in Emirate of Dubai. The Company has subscribed and paid for its portion of the initial capital of UAE Dirhams 147,000 (or approximately RM134,000). The rights and liabilities of the joint venture are in the ratio of 51:49 respectively.

The Group's aggregate share of the current assets, non-current assets, current liabilities, non-current liabilities, income and expenses of the jointly controlled entities are as follows:

	2008 RM'000	2007 RM'000
Assets and liabilities		
Current assets	544,038	556,195
Non-current assets	738,218	161,598
	1,282,256	717,793
Current liabilities	(837,950)	(726,229)
Non-current liabilities	(577,628)	–
	(1,415,578)	(726,229)
	(133,322)	(8,436)
Results		
Revenue	1,077,481	754,276
Expenses	(1,202,723)	(773,369)
Other income	3,237	1,407
Loss before tax	(122,005)	(17,686)
Taxation	44	(45)
Loss after tax	(121,961)	(17,731)

9. OTHER INVESTMENTS

	Note	Group 2008 RM'000	Group 2007 RM'000
At cost			
Unquoted ordinary shares	(a)	1,534	1,534
Unquoted preference shares	(b)	8,964	8,964
Unquoted bonds	(c)	5,000	5,000
		15,498	15,498
Less: Impairment loss		(4,200)	–
		11,298	15,498

(a) The Article of Association of this investee company restricts the shareholders from selling the share of the investee company in parts.

(b) Unquoted Redeemable Preference Shares of RM1.00 each ("RPS") with carrying amounts of RM8,963,719 (2007: RM8,963,719), of which the rights attached are as follows:

(i) The RPS shall not confer any right to receive any dividend or other income from the investee company unless otherwise recommended by the directors of the investee company;

(ii) The RPS shall rank in priority to the ordinary shares in the investee company with regards to return of capital;

(iii) The RPS shall confer rights of voting at general meetings of the investee company and receipt of notices of meetings of the investee company; and

(iv) The RPS shall at the option of the investee company be redeemed at the issue price at any time by notice in writing to the holders.

(c) Unquoted bonds with carrying amounts of RM800,000 (2007: RM5,000,000) were issued under the Primary Collateralised Loan Obligation ("CLO") as subscription for loan granted to the Group as stated in Note 22. The subordinated bonds were impaired by RM4.2 million during the financial year as there were other defaulters for the CLO.

10. INVENTORIES

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Consumable stocks, at cost	56,201	57,536	–	–
Properties held for sale, at cost	78,361	19,740	4,162	4,162
Properties held for sale, at net realisable value	15,965	16,326	9,894	9,894
	150,527	93,602	14,056	14,056

The Group and the Company wrote-down cost of properties of RM3,172,915 and RM2,185,561 in previous financial year respectively.

The costs of inventories recognised as expenses are disclosed in Note 34.

Notes to the Financial Statements
- 31 December 2008 (cont'd)

11. TRADE RECEIVABLES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Short term				
Trade receivables	641,314	688,794	46,412	52,398
Retention sums on contracts receivable within 1 year	186,951	103,801	10,555	2,927
Due from contract customers	254,038	252,275	480	2,166
	1,082,303	1,044,870	57,447	57,491
Less: Provision for doubtful debts	(2,640)	(2,710)	(16)	(16)
	1,079,663	1,042,160	57,431	57,475
Long term				
Trade receivables	5,467	–	–	–
Due from contract customers	258,003	–	–	–
Retention sum on contract receivable after 1 year	175,233	135,728	11,808	8,346
	438,703	135,728	11,808	8,346
Total	1,518,366	1,177,888	69,239	65,821

The following long term trade receivable of the Group is subject to arbitration proceedings as disclosed in Note 48:

	Group	
	2008 RM'000	2007 RM'000
Trade receivables	5,467	–
Amounts due from customer for contract work	258,003	–
Retention receivable	42,943	–
	306,413	–

a) Credit risk

The Group's primary exposure to credit risk arises through its trade receivables. The normal credit term ranges from 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest bearing.

In determining the recoverability of a contract and trade receivables, the Group considers any change in the credit quality of the contract and trade receivables from the date the credit was initially granted up to the reporting date. At the reporting date, management has taken the current market conditions into account when assessing the credit quality of contract and trade receivables. The projects directors also hold regular meetings with contract customers to renegotiate payment terms and to ensure the credit-worthiness of the ultimate end-users.

11. TRADE RECEIVABLES (CONT'D)

a) Credit risk (cont'd)

In view of the aforementioned and the fact that the Group's and the Company's trade receivables are unrelated and in large number, there is no significant concentration of credit risk except in as discussed below and Note 48. Accordingly, taking all of the above into account, the Directors believe that there is no further credit provision required in excess of the current allowance.

As at 31 December 2008, debts which are outstanding for more than 2 years are as follows:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Trade receivable	20,421	38,386	3,044	3,367
Retention sum	105,081	77,228	10,555	5,338
	125,502	115,614	13,599	8,705

The Directors, having considered all available information, are of the opinion that these debts are collectible in full and requires no provision for doubtful debts. Included in the trade receivable of the Group in the previous financial year was an amount of RM5,174,561 due from a particular debtor whose debt was to be recovered by way of contra against properties owned by the debtor. During the year, the contra of properties were concluded accordingly.

b) Due from contract customers

Details of the amounts due from and due to contract customers are as follows:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Aggregate costs incurred to date	11,529,262	8,500,813	1,402,953	1,857,843
Add: Attributable profits	504,102	599,945	105,378	154,036
Less: Foreseeable losses	(20,483)	(34,485)	–	–
	12,012,881	9,066,273	1,508,331	2,011,879
Less: Progress billings	(11,911,173)	(9,103,130)	(1,535,548)	(2,023,794)
	101,708	(36,857)	(27,217)	(11,915)
Represented by:-				
Due from contract customers	512,041	252,275	480	2,166
Due to contract customers (Note 16)	(410,333)	(289,132)	(27,697)	(14,081)
	101,708	(36,857)	(27,217)	(11,915)
Contract revenue recognised during the financial year (Note 33)	3,483,892	2,438,185	371,694	358,377
Contract cost recognised during the financial year (Note 34)	3,375,882	2,236,460	385,370	330,091

11. TRADE RECEIVABLES (CONT'D)

b) Due from contract customers (cont'd)

The costs incurred to date on construction contracts include the following charges made during the financial year:

	Group	
	2008 RM'000	2007 RM'000
Hiring of machineries	27,526	18,377
Rent of motor vehicle	–	1,369
Rent of premises	422	1,459
Finance costs	11,906	12,189
Depreciation of property, plant and equipment	68,613	44,996

12. OTHER RECEIVABLES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Short term				
Sundry receivables	52,466	37,986	10,950	4,187
Deposits	10,077	6,691	1,592	368
Advances to project debtors	–	600	–	–
Advances to sub-contractors	230,283	95,018	–	–
Prepayments	14,191	7,439	2,969	1,104
Advances to a joint venture partner of the jointly controlled entities	21,012	8,006	115	808
Advance profit distribution to minority shareholder of a foreign subsidiary company	28,130	19,648	–	–
	356,159	175,388	15,626	6,467
Long term				
Advances to sub-contractors	65,043	–	–	–
Performance security deposit	218,642	–	–	–
	283,685	–	–	–
	639,844	175,388	15,626	6,467

As at balance sheet date, concentrations of credit risks in the form of advances to sub-contractors comprise 74% (2007: 58%) of other receivables of the Group.

12. OTHER RECEIVABLES (CONT'D)

Outstanding advances to sub-contractors in excess of 1 year as at 31 December 2008 amounted to RM21,518,000 (2007: RM10,670,361). The Directors, having considered all available information, are of the opinion that these debts are collectible in full and requires no provision for doubtful debts. These advances will be recouped through deduction from work to be performed by sub-contractors.

As allowed by the laws of the foreign country, the foreign subsidiary has paid advance profit distribution which will be set-off against dividends to be declared in the future.

The following long term other receivable of the Group is subject to arbitration proceedings as disclosed in Note 48:

	Group	
	2008 RM'000	2007 RM'000
Advance paid to suppliers and sub-contractors	65,043	–
Performance security deposit	218,642	–
	283,685	–

13. DUE FROM/(TO) RELATED PARTIES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Due from:				
Subsidiaries				
- trade accounts	–	–	2,076	3,191
- current accounts	–	–	291,682	269,425
Associates	14,957	14,047	806	580
Jointly controlled entities	–	–	815,141	452,239
	14,957	14,047	1,109,705	725,435
Less: Provision for doubtful debts	–	–	(120,248)	(33,288)
	14,957	14,047	989,457	692,147
Due to:				
Subsidiaries				
- trade accounts	–	–	(1,879)	(2,998)
- current accounts	–	–	(57,064)	(40,290)
	–	–	(58,943)	(43,288)

Further details on related party transactions and information on financial risks are disclosed in Notes 41 and 46 respectively.

Balances with related parties are unsecured, non-interest bearing and have no fixed terms of repayment and are to be settle in cash.

Notes to the Financial Statements

- 31 December 2008 (cont'd)

14. CASH AND CASH EQUIVALENTS

	Note	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Deposits:					
With licensed discount houses		167,359	141,157	165,360	138,355
With licensed banks		382,960	121,695	222,716	28,531
With a licensed bank held under Finance Service Reserve Account	(a)	3,323	3,323	3,323	3,323
With a licensed bank held under Residual Sales Account	(b)	–	108,100	–	–
		553,642	374,275	391,399	170,209
Cash and bank balances	15	165,674	336,342	36,446	6,303
Total cash and cash equivalents		719,316	710,617	427,845	176,512

(a) Designated for the payment of profit element of the unsecured ICP, IMTN and BAIDS as disclosed in Notes 23 and 25.

(b) Pledged as securities to the CRDS holders as detailed in Notes 4(b) and 24.

Deposits with licensed banks of the Group and of the Company amounting to RM16,049,809 (2007: RM12,941,654) and RM13,279,809 (2007: RM12,941,654) respectively are pledged to secure banking facilities.

15. CASH AND BANK BALANCES

	Note	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Cash and bank balances		149,466	251,613	36,446	6,303
Cash held under Housing Development Accounts	(a)	15,176	83,746	–	–
Escrow account	(b)	–	717	–	–
Residual Sales Account	(c)	–	266	–	–
Redemption Account	(d)	1,032	–	–	–
		165,674	336,342	36,446	6,303

(a) The cash held under Housing Development Accounts are amounts held pursuant to Section 7A of the Housing Developers (Control and Licensing) Act, 1966 and are therefore restricted from use in other operations.

(b) Designated for the repayment of term loan II, which was fully repaid during the year, as detailed in Note 22.

(c) Pledged as securities to the CRDS holders as detailed in Notes 4(b) and 24. The CRDS were fully converted to ordinary shares during the financial year.

(d) Designated for the repayment of term loan V as detailed in Note 22.

Other information on financial risks of cash and bank balances are disclosed in Note 46.

16. TRADE PAYABLES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Short term				
Trade payables	422,592	494,288	2,268	3,339
Retention sum payable within 1 year	112,489	60,364	1,775	2,225
Due to contract customers (Note 11)	410,333	289,132	27,697	14,081
	945,414	843,784	31,740	19,645
Long term				
Trade payables	5,105	–	–	–
Retention sum payable after 1 year	91,286	70,980	–	–
	96,391	70,980	–	–
Total	1,041,805	914,764	31,740	19,645

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2007: 30 to 90 days).

The following long term trade payables are subject to arbitration proceedings as disclosed in Note 48:

	Group	
	2008 RM'000	2007 RM'000
Trade payables	5,105	–
Retention sum payable	2,739	–
	7,844	–

17. OTHER PAYABLES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Short term				
Sundry payables	31,425	35,415	1,242	685
Share application monies	–	1,922	–	–
Accruals	77,193	86,449	7,362	4,522
Advances received from customers on contracts	265,708	274,240	7,050	42,690
Jointly controlled entities	–	–	–	3,501
Advances from a minority shareholder of a subsidiary	22,947	22,656	–	–
Amount due to joint venture partners of the jointly controlled entities	37,897	7,638	–	–
Others	9,216	12,793	401	–
	444,386	441,113	16,055	51,398
Long term				
Other payables	218,182	–	–	–
Performance security payable	214,539	–	214,539	–
Advances received from customers on contracts	64,770	–	–	–
	497,491	–	214,539	–
	941,877	441,113	230,594	51,398

All amounts due under other payables are unsecured, non-interest bearing and are repayable on demand. All amounts are to be settled in cash except for the advances on contracts which will be set off against progress billings to customers.

All long term payables are subject to arbitration proceedings as disclosed in Note 48.

18. BORROWINGS

	Note	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Short term borrowings					
Secured:					
Hire purchase payables	19	10,085	10,111	728	607
Bank overdrafts	20	5,913	8,580	5,913	8,580
Revolving credits	21	–	131,033	–	73,733
Term loans	22	48,225	77,860	–	–
Convertible Redeemable Debt Securities	24	–	55,381	–	–
		64,223	282,965	6,641	82,920
Unsecured:					
Bank overdrafts	20	14,077	36,702	9,963	5,327
Bankers' acceptances	21	38,464	34,610	20,270	18,097
Revolving credits	21	184,956	206,190	184,956	193,790
Islamic Commercial Paper/ Medium Term Notes	23	–	25,000	–	25,000
		237,497	302,502	215,189	242,214
		301,720	585,467	221,830	325,134
Long term borrowings					
Secured:					
Hire purchase payables	19	6,060	8,988	238	615
Term loans	22	201,685	198,342	–	–
		207,745	207,330	238	615
Unsecured:					
Term loans	22	50,000	50,000	–	–
Islamic Commercial Paper/ Medium Term Notes	23	200,000	–	200,000	–
Bai Bithaman Ajil Islamic Debt Securities ("BAIDS")	25	100,000	100,000	100,000	100,000
Islamic Serial Redeemable Bonds ("SUKUK")	26	273,485	–	273,485	–
		623,485	150,000	573,485	100,000
		831,230	357,330	573,723	100,615

18. BORROWINGS (CONT'D)

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Total borrowings				
Hire purchase payables	16,145	19,099	966	1,222
Bank overdrafts	19,990	45,282	15,876	13,907
Bankers' acceptance	38,464	34,610	20,270	18,097
Revolving credits	184,956	337,223	184,956	267,523
Term loans	299,910	326,202	–	–
Islamic Commercial Paper/ Medium Term Notes	200,000	25,000	200,000	25,000
Convertible Redeemable Debt Securities	–	55,381	–	–
Bai Bithaman Ajil Islamic Debt Securities ("BAIDS")	100,000	100,000	100,000	100,000
Islamic Serial Redeemable Bonds ("SUKUK")	273,485	–	273,485	–
	1,132,950	942,797	795,553	425,749

Other information on the borrowings are disclosed in Note 46.

19. HIRE PURCHASE PAYABLES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Future minimum lease payments:				
Not later than 1 year	10,673	10,890	755	650
Later than 1 year and not later than 2 years	5,044	7,999	229	579
Later than 2 years and not later than 5 years	1,215	1,290	15	53
Total future minimum lease payments	16,932	20,179	999	1,282
Less: Future finance charges	(787)	(1,080)	(33)	(60)
Present value of finance lease liabilities	16,145	19,099	966	1,222
Analysis of present value of hire purchase payables:				
Not later than 1 year	10,085	10,111	728	607
Later than 1 year and not later than 2 years	4,871	7,521	228	563
Later than 2 years and not later than 5 years	1,189	1,467	10	52
	16,145	19,099	966	1,222
Less: Amount due within 12 months	(10,085)	(10,111)	(728)	(607)
Amount due after 12 months	6,060	8,988	238	615

20. BANK OVERDRAFTS

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Secured	5,913	8,580	5,913	8,580
Unsecured	14,077	36,702	9,963	5,327
	19,990	45,282	15,876	13,907

The secured bank overdrafts are secured with fixed deposits placed with licensed banks as detailed in Note 14. The unsecured bank overdrafts of the subsidiary companies are guaranteed by the Company.

Other information on the bank overdraft are disclosed in Note 46.

21. REVOLVING CREDITS AND BANKERS' ACCEPTANCES

		Group		Company	
	Note	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Secured					
Revolving credit I	(a)	–	48,733	–	48,733
Revolving credit II	(b)	–	57,300	–	–
Revolving credit III	(c)	–	25,000	–	25,000
		–	131,033	–	73,733
Unsecured					
Bankers' acceptances		38,464	34,610	20,270	18,097
Revolving credits		184,956	206,190	184,956	193,790
		223,420	240,800	205,226	211,887
		223,420	371,833	205,226	285,620

Salient terms of the secured revolving credits in the previous year were as follows:

(a) Denominated in USD and secured by way of the assignment of contract proceeds of a project undertaken in Qatar;

(b) Secured together with term loan VI as mentioned in Note 22; and

(c) Secured by a charge over a bank account receiving all contract proceeds of a project undertaken by the Company. As the revolving credit has been fully repaid during the year, the related pledged has been discharged accordingly.

All the secured revolving credits were fully repaid during the financial year.

The unsecured revolving credits of the Group and of the Company are subject to certain financial covenants, which include a requirement to maintain group gearing ratio of 1.75 times and net worth of RM900 million.

22. TERM LOANS

	Group	
	2008 RM'000	2007 RM'000
Unsecured		
Term loan I	50,000	50,000
Secured		
Term loan II	–	27,000
Term loan III	–	54,375
Term loan IV	24,613	33,500
Term loan V	26,934	29,197
Term loan VI	148,363	132,130
Term loan VII	50,000	–
	249,910	276,202
Total term loans	299,910	326,202

The term loans are repayable as follows:

Not later than 1 year	48,225	77,860
Later than 1 year and not later than 2 years	67,289	49,546
Later than 2 years and not later than 5 years	184,396	198,796
	299,910	326,202
Less: Amount due within 12 months	(48,225)	(77,860)
Amount due after 12 months	251,685	248,342

Term loan I is repayable in a lump sum on August 2010. As a condition of the loan, the subsidiary subscribed for pro-rata shares of Subordinated Bonds issued under a Primary Collateralised Loan Obligations Transaction subject to a limit of 10% of the loan principal amount as disclosed in Note 9(c).

Term loan II was secured by way of a second fixed charge over land held for development whereby the charge ranks pari passu with the first legal charge. The term loan was repayable in 11 quarterly installments commencing from March 2006 and interest is charged at 3% per annum over the yield to maturity of Malaysian Government Securities. The cash held under escrow account as detailed in Note 15 is designated for the repayment of this term loan. As the term loan II was fully repaid during the year end, the Group is in the midst of closing the escrow account.

Term loan III is secured by way of a fixed charge over land held for development and certain investment properties as disclosed in Notes 4 and 5. The term loan is repayable in 16 quarterly installments commencing from December 2007 and interest is charged at Cost of Fund ("COF") +1.5% p.a.. The term loan was fully repaid during the financial year from internally generated funds and balance drawn down from term loan VII.

Term loan IV is secured by way of fixed charge over leasehold land of a subsidiary company as disclosed in Note 4(b). The term loan is repayable through a redemption of the individual units of the residential development project on the said land, or by 4 equal quarterly principal repayment of RM8,375,000 each commencing 30 June 2008 whichever is earlier. This loan bears interest of COF + 1.5% p.a..

22. TERM LOANS (CONT'D)

Term loan V is secured by way of a third fixed charge over all the undertakings and assets of a subsidiary. The term loan is repayable in 8 equal quarterly installments commencing from September 2008 and interest is charged at 1.25% per annum over cost of funds. The cash held under redemption account as detailed in Note 15 is designated for the repayment of this term loan.

Term loan VI together with the revolving credits as mentioned in Note 21(b) is secured by way of fixed charge over the freehold land of a subsidiary company and third party debenture on the investment property owned by a subsidiary (the "Mall") as disclosed in Notes 4 and 5. The term loan is also secured by third party legal assignment of all the rights, title and benefits of the agreement to lease and the lease agreement of the Mall by the owner of the Mall which is a subsidiary company, legal assignment of the lease payment received account, operating account of the Mall and car park collection. The subsidiary company must maintain a minimum security cover ratio of 1.43 times of the market value of the freehold land and the Mall. The term loan is repayable in monthly installments over ten years based on scheduled repayment commencing from the month after completion of the building in November 2007. This loan bears interest of 6.75% (2007: COF + 1%) p.a..

Term loan VII is secured by way of a fixed charge over land held for development and investment properties as well as the building-in-progress as disclosed in Notes 3, 4 and 5. The term loan was drawdown to re-finance term loan III. The term loan is repayable in June 2011 and interest is charged at 0.75% (2007: NIL) per annum over the bank's average cost of funds.

23. ISLAMIC COMMERCIAL PAPERS/MEDIUM TERM NOTES ("ICP/IMTN")

		Group/Company	
		2008	2007
	Note	RM'000	RM'000
ICPs	(A)	–	25,000
IMTN	(B)	200,000	–
		200,000	25,000

(A) The ICP was constituted by a Trust Deed dated 11 August 2005.

The issuance of the ICPs under the Syariah principles of Murabahah and/or Ijarah of which the outstanding ICPs shall not exceed at any time the sum of RM100 million.

The ICPs have selective maturity days of 1, 3, 6, 9 or 12 months whilst the IMTNs have maturity days for a period of 1 year or more and up to 7 years.

The ICPs bear no profit payment and will be issued at a discount. The IMTNs profit is payable semi-annually in arrears and shall commence 6 months from the date of issue of the IMTN.

The terms of the ICP contain various covenants, including the following:

(i) The Company must maintain a Finance Service Reserve Account ("FSRA") at any time during the tenure of the ICP which is equivalent to the minimum required balance as follows:

(a) in respect of ICP which are maturing within the next 1 month and are not capable of being refinanced via new issue of ICP;

(b) an amount equivalent to 50% and 100% of the principal amount due not later than 3 months and 1 month respectively from the respective due dates.

23. ISLAMIC COMMERCIAL PAPERS/MEDIUM TERM NOTES ("ICP/IMTN") (CONT'D)

(A) The ICP was constituted by a Trust Deed dated 11 August 2005. (cont'd)

(ii) The Company must maintain a Maintenance Reserve Account ("MRA") for an amount equivalent to 50% of the principal amount no later than 3 months prior to the respective due dates and an amount equivalent to 100% of the principal amount due no later than 1 month from the respective due dates.

The terms of the Trust Deed prescribe that in the event of default, the outstanding amount of the ICP and the profit element next due will become immediately due and payable.

The ICPs was fully repaid during the financial year.

(B) The IMTN are constituted by a Trust Deed dated 2 April 2008.

The issuance of the IMTNs Programme of up to RM300 million are under the financing principle of Musyarakah.

The IMTN Programme has a tenure of up to 7 years from the date of the first issuance. IMTNs have maturity days for more than 1 year and up to 7 years.

The IMTNs may be non-profit bearing or bear profit at a rate determined at the point of issuance. IMTNs profit is payable semi-annually in arrears from the date of issue of the IMTN with the last profit payment due on maturity dates.

The IMTN contain financial covenant to maintain a gearing ratio of 1.75 times.

The terms of the Trust Deed prescribe that in the event of default, the outstanding amount of the IMTN and the profit element next due will become immediately due and payable.

As at 31 December 2008, the Company has drawdown RM200 million of the IMTNs under the IMTN Programme with the tenure of 3 years from issue date. The maturity date of the IMTNs is 16 April 2011 and the yield to maturity at issuance date was 4.95%.

The IMTN shall have a limit of RM300 million in nominal value and shall be made available to the Issuer based on the Islamic principle of Musyarakah.

24. CONVERTIBLE REDEEMABLE DEBT SECURITIES ("CRDS")

	3% CRDS A RM'000	3% CRDS B RM'000	Total RM'000
Group			
Liability component of CRDS			
At 1 January 2007	51,239	2,900	54,139
Arising from share swap	–	(3,193)	(3,193)
Accredited during the financial year	4,137	298	4,435
At 31 December 2007	55,376	5	55,381
Accredited during the financial year	483	–	483
Converted / redeemed	(55,859)	(5)	(55,864)
At 31 December 2008	–	–	–

24. CONVERTIBLE REDEEMABLE DEBT SECURITIES ("CRDS") (CONT'D)

In 2004, WCT Land Sdn. Bhd. (formerly known as WCT Land Berhad) ("WCTL") issued RM132,000,000 nominal value of 5-year 3% CRDS comprising RM120,000,000 nominal value of CRDS A and RM12,000,000 nominal value of CRDS B to the Company as part settlement of the debt due to the Company.

RM12,000,000 nominal value of CRDS B was utilised by the Company for the settlement of the debts owing to the creditors of Bescorp Industries Berhad ("BIB") through the Special Administrators or Creditors' Agent. In conjunction with the settlement of the debts owing to the creditors of BIB, the Company granted the Special Administrators and/or the Creditors' Agent, a swap option to enable the Special Administrators and/or the Creditors' Agent to exchange the CRDS B held by them, wholly or partially, for the WCTL Shares held by the Company on a swap ratio of every RM1.00 nominal value of CRDS B for 2 WCTL Shares. As at 31 December 2004, the Special Administrators and/or the Creditors' Agent had exercised the swap option to exchange 8,802,360 CRDS B for 17,604,720 WCTL Shares.

The CRDS A and CRDS B of the Group have been split between the liability component and equity component attributable to the minority interest based on the effective yield basis by applying the coupon interest rate of 7% for an equivalent non-convertible debt securities.

The CRDS is subject to certain financial covenant which if defaulted would make the full amount due together with accrued interest be immediately due and payable. The CRDS has an expiry date of 1 August 2009.

On 30 November 2007, the Company announced the privatisation of WCTL. Consequent to the privatisation, all the CRDS A and CRDS B were either converted to new WCTL Shares or redeemed.

The salient terms of CRDS A and CRDS B were as follows:

CRDS A

(a) CRDS A issued in registered form and denominated in multiples of RM1.00.

(b) CRDS A have a tenure of 5 years from and including the date of issuance.

(c) CRDS A bear interest at 3% (gross) per annum payable semi-annually in arrears from the date of issuance.

(d) WCTL has the option to exercise an early redemption of the CRDS A (in part or in whole) on a date falling 3.5 years from the issue date ("Early Redemption Option"). CRDS A shall be redeemed at 100% of the nominal value of RM1.00 each.

(e) Unless CRDS A are redeemed or converted pursuant to an Early Redemption Option, the coupon of 3% per annum will be payable to CRDS A holders until the maturity date.

(f) In the event WCTL exercises the Early Redemption Option, the coupon of 3% per annum will be payable to all CRDS A holders (inclusive of the WCTL CRDS A holders who wish to convert CRDS A held) until the Early Redemption Date.

(g) Conversion of CRDS A is at par. Every RM1.00 nominal value of CRDS A is convertible into 2 new WCTL Shares.

(h) Unless previously redeemed or converted, pursuant to the Early Redemption Option, CRDS A may only be converted on the maturity date. All outstanding CRDS A (excluding CRDS A to be converted on the maturity date) will be automatically redeemed at par.

(i) The CRDS A was listed on Bursa Securities on 2 December 2004.

24. CONVERTIBLE REDEEMABLE DEBT SECURITIES ("CRDS") (CONT'D)

CRDS B

The salient terms of CRDS B are similar to CRDS A except for the following:

(a) CRDS B which have been converted on a date prior to the coupon payment date would not be entitled to any coupon/ interest payments accrued from the last coupon payment date till the date of conversion.

(b) WCTL has the option to exercise an early redemption of the WCTL CRDS B (in whole) on the date falling 3.5 years from the issue date. CRDS B shall be redeemed at 100% of the nominal value of RM1.00 each.

(c) Unless previously redeemed or converted, CRDS B may be converted by the holders at any time from the issue date. All outstanding CRDS B (excluding CRDS B to be converted on the maturity date) will be automatically redeemed at par.

(d) CRDS B is not listed on Bursa Securities.

25. BAI BITHAMAN AJIL ISLAMIC DEBT SECURITIES ("BAIDS")

	Group/Company	
	2008	2007
	RM'000	RM'000
The BAIDS are repayable as follows:		
Later than 1 year and not later than 2 years	30,000	–
Later than 2 years and not later than 5 years	70,000	100,000
	100,000	100,000

The BAIDS are constituted by a Trust Deed dated 11 August 2005 between the Company and the Trustee for the holders of the BAIDS.

The Company issued RM100 million of BAIDS on 29 August 2005. The BAIDS are negotiable non-interest bearing secured Primary Bonds together with non-detachable Secondary Bonds. The Primary Bonds were issued in 3 series, with maturities commencing from 2010 to 2012.

Each series of the BAIDS is divided into a specific number of Primary Bonds on face value of RM1,000 each to which shall be attached an appropriate number of Secondary Bonds, the face value of which represents the semi-annual profit of the bonds. The Secondary Bonds are redeemable every 6 months commencing 6 months after the issue date. The face value of the Secondary Bonds are computed based on the profit rates specified for each series of the Primary Bonds, i.e. from 6.30% to 6.90% per annum.

The terms of the BAIDS contain various covenants, including the following:

(i) The Company must maintain a Finance Service Reserve Account ("FSRA") at any time during the tenure of the BAIDS which has a minimum balance equivalent to the next 6 months' finance service due under the BAIDS. The amount therein may be withdrawn to meet any payment under the BAIDS, provided always that the Company shall transfer monies into such account within 14 days from such withdrawal to maintain the minimum balance as disclosed in Note 14(a).

(ii) The Company must maintain a Maintenance Reserve Account ("MRA") for an amount equivalent to 50% of the principal amount no later than 3 months prior to the respective due dates and an amount equivalent to 100% of the principal amount due no later than 1 month from the respective due dates.

The terms of the Trust Deed prescribed that in the event of default, the outstanding amount of the Primary Bonds and the profit element next due will become immediately due and payable.

26. ISLAMIC SERIAL REDEEMABLE BONDS ("SUKUK")

The Islamic Serial Redeemable Bonds ("SUKUK") are constituted by a Trust Deed dated 12 March 2008 between the Company and the Trustee for the holders of the SUKUK.

The Company issued RM300 million of SUKUK on 26 March 2008 under the Islamic financial principles of Musyarakah in 3 series and have tenures of 3, 4 and 5 years with 139,887,452 rights to allotment of warrants ("Warrants Rights") on bought deal basis to the Primary Subscriber ("Aseambankers"). All the SUKUK were issued in one lump sum at a discount to their nominal value and redemption is at the nominal value of SUKUK.

Upon issuance, the Primary Subscriber detached the provisional rights to allotment of warrants and placed out only the SUKUK to secondary investors. The Primary Subscriber or the Offerer offered the provisional rights to the allotment of the warrants for sales to the existing shareholders of the Company on the basis of 1 provisional right allotment to 1 warrant for every 5 WCT shares held on at an offer price of RM0.25 per warrant.

The profit is 2% per annum and payable semi-annually in arrears commencing 6 months after the issue date. The yield to maturity was in the range of 5.25% to 6.16%. The SUKUK was direct, unconditional, unsecured and unsubordinated.

27. SHARE CAPITAL

	Group and Company			
Authorised:	**Number of Ordinary Shares of RM1 each/ RM0.50 each**	**Number of Ordinary Shares of RM1 each**	**Amount**	
	2008 '000	**2007 '000**	**2008 RM'000**	**2007 RM'000**
At 1 January	700,000	500,000	700,000	500,000
Created during the year	–	200,000	–	200,000
Share split on 11 February 2008	700,000	–	–	–
At 31 December	1,400,000	700,000	700,000	700,000

Issued and fully paid:

		Group and Company			
	Par Value RM	**Number of Ordinary Shares**	**Number of Ordinary Shares of RM1 each**	**Amount**	
		2008 '000	**2007 '000**	**2008 RM'000**	**2007 RM'000**
At 1 January	1.00	338,966	214,250	338,966	214,250
Share options exercised	1.00	2,539	15,119	2,539	15,119
Bonus issue	1.00	–	75,698	–	75,698
Conversion of ICPS (Note 28)	1.00	1,959	33,899	1,959	33,899
At 10 February 2008	1.00	343,464	338,966	343,464	338,966

27. SHARE CAPITAL (CONT'D)

Issued and fully paid (cont'd):

	Group and Company				
	Par Value RM	Number of Ordinary Shares 2008 '000	Number of Ordinary Shares of RM1 each 2007 '000	Amount 2008 RM'000	2007 RM'000
Adjusted for the share split on 11 February 2008	0.50	686,929	–	–	–
Voluntary take-over of WCTL	0.50	62,825	–	31,413	–
Share options exercised	0.50	3,390	–	1,695	–
Conversion of ICPS (Note 28)	0.50	17,846	–	8,923	–
Conversion of warrants (Note 27(c))	0.50	509	–	254	–
At 31 December	0.50/1.00	771,499	338,966	385,749	338,966

(a) Issue of shares

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM338,966,148 to RM385,749,481 by way of:

(i) Issuance of 2,539,010 ordinary shares of RM1.00 each for cash pursuant to the Company's Employee Share Options Scheme at exercise price ranging from RM1.45 to RM3.46 per ordinary share.

(ii) Issuance of 1,959,504 ordinary shares of RM1.00 each pursuant to the conversion of Irredeemable Convertible Preference Shares ("ICPS") of RM0.10 which was satisfied by surrendering 10 ICPS for each new ordinary share.

(iii) Issuance of 343,464,662 ordinary shares pursuant to the share split exercise involving the subdivision of each of the existing ordinary shares of RM1.00 each in the Company into 2 new ordinary shares of RM0.50 each in the Company.

(iv) Issuance of 62,825,489 ordinary shares of RM0.50 each pursuant to the voluntary take-over offer of WCT Land Sdn. Bhd. (formerly known as WCT Land Berhad) as disclosed in Note 6(b).

(v) Issuance of 3,389,776 ordinary shares of RM0.50 each for cash pursuant to the Company's Employee Share Options Scheme at exercise price ranging from RM0.73 to RM2.92 per ordinary share.

(vi) Issuance of 17,845,697 ordinary shares of RM0.50 each pursuant to the conversion of ICPS of RM0.10 which was satisfied by surrendering 5 ICPS for each new ordinary share.

(vii) Issuance of 508,675 ordinary shares of RM0.50 each pursuant to the conversion of warrants at an exercise price of RM3.00 per ordinary share for cash.

The new ordinary shares rank pari passu in all respects with the existing ordinary shares.

(b) Employee share options scheme ("ESOS")

The Company's ESOS is governed by the By-Laws which was approved by the shareholders at the Extraordinary General Meeting held on 13 March 2002.

The proposed amendments to the By-Laws of existing ESOS was approved by the shareholders at the Extraordinary General Meeting held on 19 October 2005.

27. SHARE CAPITAL (CONT'D)

(b) Employee share options scheme ("ESOS") (cont'd)

The salient features of the ESOS are as follows:

(i) Subject to the ESOS By-Laws, the maximum number of options granted under the ESOS shall not exceed 15% of the total issued and paid-up share capital comprising ordinary shares of the Company at any time throughout the duration of the scheme which shall be in force for a period of 10 years commencing from 12 April 2002 ("ESOS Option Period").

(ii) Any employee (including Directors) of the Group shall be eligible to participate in the ESOS if, as at the date of the ESOS offer, the employee:

(aa) has attained the age of 18 years;

(bb) is employed by and on the payroll of a company within the Group; and

(cc) has been in the employment of the Group for a period of at least 1 year of continuos service prior to and up to the offer date, including service during the probation period, and is confirmed in service.

The Options Committee may with its power under the ESOS By-Laws, nominate any employee (including Executive Directors) of the Group to be an Eligible Employee notwithstanding that the eligibility criteria as stated in (b) (ii) (cc) above is not met.

Subject to the fulfillment of additional eligibility criteria under the ESOS By-Laws, no employee shall participate at anytime in more than 1 employee share option scheme implemented by any company within the Group.

(iii) Not more than 50% of the Options available under the ESOS shall be allocated, in aggregate, to Directors and Senior Management of the Group.

(iv) Not more than 10% of the Options available under the ESOS shall be allocated, to any individual Directors or Eligible Employees who, either individually or collectively through persons connected with the Directors or employee, holds 20% or more in the issued and paid-up share capital of the Company.

(v) The option price for subscription of each share shall be at a discount of not more than 10% from the weighted average market price of the Company's shares traded on Bursa Malaysia Securities Berhad for the 5 market days preceding the date of offer, or the par value of the shares of the Company of RM1.00, whichever is the higher.

(vi) Subject to any adjustments that may be made under the ESOS By-Laws, no options shall be granted for less than 1,000 shares of the Company but not more than the maximum allowable allotment as set out in the ESOS By-Laws.

(vii) Subject to the ESOS By-Laws, the Options Committee may with its power under the ESOS By-Laws, at any time and from time to time, before or after an ESOS Option is granted, limit the exercise of the ESOS Option to a maximum number of new shares of the Company and/or such percentage of the total new shares of the Company comprised in the ESOS Option during such periods within the ESOS Option Period and impose any other terms and/or conditions deemed appropriate by the Options Committee in its sole discretion including amending/varying any terms and conditions imposed earlier.

(viii) An ESOS offer may be made upon such terms and conditions as the Options Committee may decide from time to time. Each ESOS offer shall be made in writing and is personal to the Eligible Employees and cannot be assigned, transferred, encumbered or otherwise disposed of in any manner whatsoever.

(ix) Subject to the ESOS By-Laws, an ESOS Option can be exercised by the Grantee, by notice in writing to the Company in the form prescribed by the Options Committee during the ESOS Option Period in respect of all or any part of the new shares in the ESOS Option.

Notes to the Financial Statements

- 31 December 2008 (cont'd)

27. SHARE CAPITAL (CONT'D)

(b) Employee share options scheme ("ESOS") (cont'd)

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial year:

2008 Grant date	Before share split Exercise Price [1] RM	After share split Exercise Price [1] RM	Outstanding at 1 January '000	Movement During the Year: Granted '000	Movement During the Year: Exercised '000	Movement During the Year: Forfeited '000	Movement During the Year: Adjustments '000	Movement After Share Split: Granted '000	Movement After Share Split: Exercised '000	Movement After Share Split: Forfeited '000	Outstanding at 31 December '000	Exercisable at 31 December '000
			Number of Share Options									
12 April 2002	2.48	1.24	1,120	–	(589)	–	531	–	(295)	–	767	767
30 June 2004	2.50	1.25	376	–	(150)	–	226	–	(239)	–	213	213
13 June 2005	1.45	0.73	3,102	–	(1,022)	–	2,078	–	(659)	(3)	3,496	1,218
6 March 2007	1.77	0.89	1,529	–	(319)	–	1,210	–	(693)	(8)	1,719	227
6 March 2007	3.46	1.73	2,499	–	(459)	–	2,040	–	(1,009)	(197)	2,874	1,035
11 June 2007	4.93	2.47	597	–	–	–	597	–	(346)	–	848	–
17 March 2008	–	2.92	–	–	–	–	–	9,227	(149)	(708)	8,370	2,941
			9,223	–	(2,539)	–	6,682	9,227	(3,390)	(916)	18,287	6,401
WAEP			2.44	–	2.15	–	(1.27)	2.92	1.42	2.64	2.01	1.98

2007 Grant date	Exercise Price [2] RM	Outstanding at 1 January '000	Movement During the Year: Granted '000	Movement During the Year: Exercised '000	Movement During the Year: Forfeited '000	Movement During the Year: Adjustments '000	Movement After Share Split: Granted '000	Movement After Share Split: Exercised '000	Movement After Share Split: Forfeited '000	Outstanding at 31 December '000	Exercisable at 31 December '000
12 April 2002	2.48	9,173	–	(8,509)	(22)	478	–	–	–	1,120	637
30 June 2004	2.50	1,751	–	(1,561)	(18)	204	–	–	–	376	108
13 June 2005	1.45	5,266	–	(2,931)	(98)	865	–	–	–	3,102	401
6 March 2007	1.77	2,190	–	(1,056)	(42)	437	–	–	–	1,529	143
6 March 2007	3.46	–	2,770	(950)	(126)	805	–	–	–	2,499	357
11 June 2007	4.93	–	560	(112)	–	149	–	–	–	597	30
		18,380	3,330	(15,119)	(306)	2,938	–	–	–	9,223	1,676
WAEP		2.80	4.94	2.95	2.59	(0.82)	–	–	–	2.44	2.42

(1) Adjustments were made to the outstanding unexercised options on 11 February 2008 following the share split exercise involving the subdivision of each of the existing ordinary share of RM1.00 each in the Company into 2 new ordinary shares of RM0.50 each in the Company.

(2) Adjustments were made to the outstanding unexercised options on 9 July 2007 following the bonus issue of 1 new ordinary share for every 3 existing ordinary shares of RM1.00 each in the Company.

27. SHARE CAPITAL (CONT'D)

(b) Employee share options scheme ("ESOS") (cont'd)

(i) Details of share options outstanding at the end of the financial year:

	WAEP RM	Exercise period
2008		
Date granted		
12 April 2002	1.24	12.04.2002 - 11.04.2012
30 June 2004	1.25	30.06.2004 - 11.04.2012
13 June 2005	0.73	13.06.2005 - 11.04.2012
6 March 2007	0.89	06.03.2007 - 11.04.2012
6 March 2007	1.73	06.03.2007 - 11.04.2012
11 June 2007	2.47	11.06.2007 - 11.04.2012
17 March 2008	2.92	17.03.2008 - 11.04.2012
2007		
Date Granted		
12 April 2002	2.48	12.04.2002 - 11.04.2012
30 June 2004	2.50	30.06.2004 - 11.04.2012
13 June 2005	1.45	13.06.2005 - 11.04.2012
6 March 2007	1.77	06.03.2007 - 11.04.2012
6 March 2007	3.46	06.03.2007 - 11.04.2012
11 June 2007	4.93	11.06.2007 - 11.04.2012

At 31 December 2008, there are 6,401,012 options exercisable at the WAEP of RM1.98 each. The exercise period is from 12 April 2002 to 11 April 2012. The remaining 11,886,724 options will vest from 1 January 2009 to 11 April 2012 as follows:

Vested in the financial year	Number of options
31 December 2009	4,905,100
31 December 2010	3,328,652
31 December 2011	2,299,644
31 December 2012	1,353,328
	11,886,724

(ii) Share options exercised during the financial year

As disclosed in Note 27(a) options exercised during the financial year resulted in the issuance of 2,539,010 (2007: 15,119,118) ordinary shares of RM1.00 each and 3,389,776 ordinary shares of RM0.50 each at an exercise price of between RM0.73 to RM3.46 (2007: RM1.45 to RM6.57) each. The related weighted average share price at the date of exercise was RM4.29 (2007: RM4.80).

27. SHARE CAPITAL (CONT'D)

(b) Employee share options scheme ("ESOS") (cont'd)

(iii) Fair value of share options granted during the financial year

The fair value of share options granted during the year was estimated using a binomial model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions are as follows:

	17 March 2008	11 June 2007	6 March 2007	6 March 2006	13 June 2005
Fair value of share options granted (RM)	0.90	3.42	1.90	2.79	2.14
Weighted average share price (RM)	3.12	5.55	3.68	3.17	3.43
Weighted average exercise price (RM)	2.92	4.93	3.46	2.35	1.93
Expected volatility (%)	34.62%	52.51%	52.51%	24.86%	24.86%
Expected life (years)	4.10	4.84	5.10	6.10	6.82
Risk free rate (%)	3.41%	3.37%	3.44%	3.67%	3.87%
Expected dividend yield (%)	2.34%	1.47%	3.50%	3.80%	4.92%

The expected life of the share options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other feature of the option was incorporated into the measurement of fair value.

(c) Warrants

The movement in the Warrants during the financial year to take up new ordinary shares of RM0.50 each in the Company was as follows:

	Number of Warrants '000
At 1 January 2008	–
Allotted during the year	139,887
Converted	(509)
At 31 December 2008	139,378

The salient terms of the Warrants are as follows:

(i) the Warrants will be issued in registered form and constituted by a Deed Poll. For the purpose of trading of the Warrants on Bursa Securities, a board lot of Warrants shall be 100 Warrants carrying the right to subscribe for 100 ordinary shares of RM0.50 of the Company;

(ii) the exercise price is RM3.00 per ordinary share of RM0.50 of the Company and each Warrant will entitle the registered holder to subscribe for 1 new ordinary share of the Company during the exercise period;

27. SHARE CAPITAL (CONT'D)

(c) Warrants (cont'd)

(iii) the exercise period is for a period of 5 years commencing on and including the date of allotment of the Warrants. Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid;

(iv) the new ordinary shares to be issued pursuant to the exercise of the Warrants will, upon allotment and issue, rank pari passu in all respects with the then existing ordinary shares of the Company, save and except that the holders of the new ordinary shares of the Company shall not be entitled to any dividends, rights, allotment and/or other distributions, the entitlement date of which is on or before the date of allotment of the ordinary shares of the Company pursuant to the exercise of the Warrants;

(v) the Warrants are constituted under a Deed Poll executed on 12 March 2008;

(vi) in the case of a members' voluntarily winding up, or a compromise or arrangement between the Company and its members or any class of them (whether or not in connection with a scheme for reconstruction or amalgamation), every Warrant holder as evidenced in the Record of Depositors shall be treated as having the right to subscribe for new ordinary shares of the Company in accordance with the terms and conditions of the Deed Poll, at any time within 6 weeks after passing of such resolution for a members' voluntarily winding up of the Company, or within 6 weeks after the granting of the court order in respect of the compromise or arrangement; and

(vii) the Warrant holders are not entitled to any voting rights or to participate in any distribution and/or offer of further securities in the Company until and unless such Warrant holders exercise their Warrants for new ordinary shares of the Company.

28. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

	Group/Company			
	Number of preference shares of RM0.10 each		Amount	
	2008 '000	2007 '000	2008 RM'000	2007 RM'000
Authorised:				
At 1 January	1,000,000	–	100,000	–
Created during the year	–	1,000,000	–	100,000
At 31 December	1,000,000	1,000,000	100,000	100,000
Issued and fully paid:				
At 1 January	165,669	–	16,567	–
Issued during the year	–	504,658	–	50,466
Converted to ordinary shares (Note 27)	(108,823)	(338,989)	(10,882)	(33,899)
At 31 December	56,846	165,669	5,685	16,567

A total of 504,657,950 5 years 13.5% non-cumulative ICPS of RM0.10 each at an issue price of RM0.30 per ICPS have been issued and listed on Bursa Securities on 9 August 2007.

28. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS") (CONT'D)

The main features of the ICPS are as follows:

(a) ICPS will be issued in registered form and denominated in multiples of RM0.10.

(b) ICPS will have a tenure of 5 years commencing from and inclusive of the date of issue.

(c) ICPS carry non-cumulative preferential dividend rate of 13.5% (gross) per annum calculated based on the nominal value of RM0.10 per ICPS. Payment of dividend is at the option of the Company.

(d) ICPS dividend is payable on the market day immediately before the ICPS anniversary date and if such anniversary date falls on a date which is not a market day, then the next market day. Market day is defined as any day on which Bursa Securities are open for trading of securities.

(e) The registered holder of the ICPS has the right to convert the ICPS at the conversion price into new ordinary shares of the Company at any time from the date of listing up to and including the maturity date of the ICPS.

(f) The conversion price shall be satisfied by surrendering 10 ICPS for each new ordinary shares of the Company.

(g) The ICPS are unsecured and shall rank pari passu amongst all ICPS in all respects and without discrimination or preference. The ICPS shall rank in priority to the ordinary shares of the Company in the event of the winding-up/liquidation of the Company of which each ICPS confers upon its holders upon a winding-up/liquidation:

  (i) the right to payment in cash of the capital then paid-up on it, in priority to any other class of shares in the capital of the Company; and

  (ii) the right (in priority to payment of any dividend to any other class of shares in the capital of the Company) to any declared and unpaid dividend in respect of the ICPS prior to the issue of a court order to wind up the Company.

(h) ICPS shall carry no right to vote at any general meeting of the Company except for the following matters:

  (i) reducing the Company's share capital;

  (ii) winding-up the Company or during the winding-up of the Company; or

  (iii) sanctioning a disposal of the whole of the Company's property, business and undertaking; or

  (iv) where any resolution to be submitted to the meeting directly affects their rights and privileges; or

  (v) when the dividend or part of the dividend on the ICPS is in arrears for more than 6 months.

(i) Not redeemable for cash. Unless previously converted, all ICPS will be mandatorily converted by the Company into new ordinary shares of the Company at the conversion price on the maturity date of the ICPS.

(j) The new ordinary shares to be issued upon conversion of the ICPS will upon allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company.

(k) Subsequent to the share split of the Company, the conversion price shall be satisfied by surrendering 5 ICPS for each new ordinary share of the Company.

29. SHARE PREMIUM

	Group/Company	
	2008 RM'000	2007 RM'000
Non-distributable		
At 1 January	140,942	32,848
Arising from share options exercised	6,082	29,479
Arising from issuance of ICPS	–	100,932
Arising from conversion of warrants	1,222	–
Arising from voluntary take-over of WCT Land Sdn. Bhd.	217,971	–
Bonus issue	–	(25,000)
Transfer within reserve arising from ESOS exercised	1,573	2,683
Transfer within reserve arising from warrants exercised	126	–
At 31 December	367,916	140,942

30. RESERVES

		Group		Company	
	Note	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Non-distributable					
Revaluation reserve	(a)	6,518	861	1,446	861
Other reserve	(b)	587	750	–	–
Capital reserve	(c)	2,846	2,846	–	–
Equity compensation reserve	(d)	5,677	1,365	5,677	1,365
Exchange reserve	(e)	6,944	(27,156)	–	–
Warrant reserve	(f)	34,690	–	34,690	–
		57,262	(21,334)	41,813	2,226
Distributable					
General reserve	(g)	2,616	2,616	–	–
Retained profits	(h)	368,987	411,045	110,111	104,452
		371,603	413,661	110,111	104,452
		428,865	392,327	151,924	106,678

The nature and purpose of each category of reserves are as follows:

(a) Revaluation reserve

The revaluation reserve of the Group and of the Company is used to record changes in fair values of certain freehold land and buildings.

(b) Other reserve

Other reserve relates to the fair value adjustment on the Group's 50% interest in Labur Bina Sdn. Bhd. ("LBSB") arising from the Group's post acquisition investment in LBSB.

Notes to the Financial Statements
- 31 December 2008 (cont'd)

30. RESERVES (CONT'D)

(b) Other reserve (cont'd)

The reserve is recognised directly to retained profit in proportion of the sales value of development properties sold over the expected sales of the development of the subsidiary acquired.

(c) Capital reserve

Capital reserve of the Group arose from bonus issue of subsidiaries.

(d) Equity compensation reserve

The equity compensation reserve of the Group and of the Company represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on grant of share options.

(e) Exchange reserve

The exchange reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(f) Warrant reserve

The proceeds from the issue of Warrants, net of issue costs, was credited to warrants reserve account which is non-distributable. Warrants reserve will be transferred to the share premium accounts upon the exercise of warrants and the warrants reserve in relation to the unexercised warrants on the expiry date of the exercise period will be transferred to retained earnings.

(g) General reserve

(i) Under the provisions of the Bahrain Commercial Companies Law, a statutory reserve equivalent to 10% of the subsidiary's net profit before appropriations is required to be transferred to a non-distributable reserve account until no less than 50% of the share capital.

(ii) Under the provisions of the India Companies Act, 1956, a statutory reserve equivalent to a certain percentage of the subsidiary's net profit before appropriation is required to be transferred to a non-distributable reserve account before any dividend can be declared or paid.

Proposed dividend	Amount to be transferred to statutory reserve
~ Exceeds 10% but less than 12.5% of paid-up capital	Not less than 2.5% of current profits
~ Exceeds 12.5% but less than 15% of paid-up capital	Not less than 5% of current profits
~ Exceeds 15% but less than 20% of paid-up capital	Not less than 7.5% of current profits
~ Exceeds 20% of paid-up capital	Not less than 10% of current profits

30. RESERVES (CONT'D)

(h) Retained profits

Prior to 1 January 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act, 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there will be a transitional period of 6 years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the Section 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the Section 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of Finance Act, 2007.

The Company did not elect for the irrevocable option to disregard the Section 108 balance. Accordingly, during the transitional period, the Company can utilise the credit in the Section 108 balance as at 31 December 2007 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act, 2007.

The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and the balance in the tax-exempt income account to frank the payment of dividends out of its entire retained profits as at 31 December 2008.

31. MINORITY INTERESTS

	Group	
	2008 RM'000	2007 RM'000
At 1 January	279,030	163,102
Share of profit for the financial year	44,018	81,264
Dividends paid to minority shareholders	–	(3,360)
Arising from incorporation of new subsidiaries	654	–
Additional investment by minority interest in a subsidiary	1,847	–
Arising from the Group pursuant to the voluntary take-over of a subsidiary, WCT Land Sdn. Bhd.	(165,888)	–
Arising from dilution of subsidiaries	–	39,657
Arising from share options granted under ESOS in a subsidiary	–	1,164
Revaluation increase of freehold land and building	4,933	–
Exchange differences	4,451	(2,797)
At 31 December	169,045	279,030

32. DEFERRED TAXATION

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
At 1 January	(2,100)	1,852	(1,343)	(194)
Recognised in the income statement (Note 38)	1,142	(3,952)	1,260	(1,149)
Recognised in equity	761	–	–	–
At 31 December	(197)	(2,100)	(83)	(1,343)
Presented after appropriate offsetting as follows:				
Deferred tax assets	(6,324)	(7,542)	(83)	(1,343)
Deferred tax liabilities	6,127	5,442	–	–
	(197)	(2,100)	(83)	(1,343)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	CRDS RM'000	Development properties and inventory RM'000	Revaluation of freehold land RM'000	Accelerated capital allowances RM'000	Total RM'000
At 1 January 2007	1,750	3,156	107	1,211	6,224
Recognised in the income statement	(442)	(255)	–	(196)	(893)
At 31 December 2007	1,308	2,901	107	1,015	5,331
Recognised in the income statement	(2,207)	(583)	–	9,867	7,077
Recognised in equity	899	–	(138)	–	761
At 31 December 2008	–	2,318	(31)	10,882	13,169

32. DEFERRED TAXATION (CONT'D)

Deferred tax assets of the Group:

	Property, plant and equipment RM'000	Interest capitalised RM'000	Land held for property development and property development costs RM'000	Provision for foreseeable losses RM'000	Other payables RM'000	Total RM'000
At 1 January 2007	(301)	(1,307)	(2,193)	(35)	(536)	(4,372)
Recognised in the income statement	(1,544)	643	207	(105)	(2,260)	(3,059)
At 31 December 2007	(1,845)	(664)	(1,986)	(140)	(2,796)	(7,431)
Recognised in the income statement	(122)	(26)	(538)	16	(5,265)	(5,935)
At 31 December 2008	(1,967)	(690)	(2,524)	(124)	(8,061)	(13,366)

Deferred tax liabilities of the Company:

	Accelerated capital allowances RM'000
At December 2006	79
Recognised in the income statement	101
At 31 December 2007	180
Recognised in the income statement	(66)
At 31 December 2008	114

Deferred tax asset of the Company:

	Other payables RM'000
At 31 December 2006	(273)
Recognised in the income statement	(1,250)
At 31 December 2007	(1,523)
Reversed in the income statement	1,326
At 31 December 2008	(197)

Notes to the Financial Statements
- 31 December 2008 (cont'd)

32. DEFERRED TAXATION (CONT'D)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2008 RM'000	2007 RM'000
Unutilised tax losses	–	105
Unabsorbed capital allowances	–	17
	–	122
Potential deferred tax benefit at 25% (2007: 26%)	–	32

The availability of the unutilised tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the respective subsidiaries are subject to no substantial changes in shareholdings of the respective subsidiaries under Section 44(5A) and 5(B) of Income Tax Act, 1967.

33. REVENUE

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Contract revenue on civil engineering and road construction works (Note 11)	3,483,892	2,438,185	371,694	358,377
Dividend income	–	–	84,803	113,580
Management fee	13,992	–	122,688	25,078
Sale of development properties	175,660	232,182	–	–
Sale of goods	76,802	86,734	–	–
Sale of properties held for sale	12,715	18,995	–	–
Rental income	28,935	5,278	–	–
Car park income	3,491	327	–	–
	3,795,487	2,781,701	579,185	497,035

34. COST OF SALES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Construction contract costs (Note 11)	3,375,882	2,236,460	385,370	330,091
Cost of development properties sold (Note 4(b))	112,421	139,799	–	–
Cost of goods sold	95,083	85,768	–	–
Cost of properties held for sale	8,722	11,916	–	–
Cost of maintenance of investment properties	3,363	3,158	–	–
Cost of services provided	7,564	–	21,556	–
Cost incurred on car park operation	2,431	30	–	–
Cost incurred on car service centre	2,973	–	–	–
	3,608,439	2,477,131	406,926	330,091

35. OTHER OPERATING INCOME

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Interest	16,454	17,909	20,941	7,394
Unrealised gain/(loss) on foreign exchange	13,323	(8,717)	20,946	(10,946)
Rental	165	1,134	–	–
Gain on disposal of property, plant and equipment	1,298	4,122	86	43
Gain arising from partial disposal of equity in subsidiaries	–	823	–	19,720
Realised gain on foreign exchange	1,212	958	1,115	198
Fair value gain on investment properties (Note 5)	17,255	17,953	–	–
Reversal of downward revaluation of property, plant and equipment previously recognised in profit and loss	155	–	155	–
Performance bonus received in respect of progress ahead of the scheduled timetable	–	15,725	–	–
Sale of scaffolding	3,764	7,489	–	–
Gain on redemption of CRDS A & B	3,451	–	–	–
Gain on call option for CRDS A	1,716	–	1,716	–
Others	7,707	3,442	486	298
	66,500	60,838	45,445	16,707

36. FINANCE COSTS

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Interest expense				
- CRDS	845	9,219	–	–
- bank overdrafts	273	60	–	–
- term loans	20,497	18,622	–	2,661
- revolving credits	4,208	12,189	–	–
- less: Amount capitalised under property development costs	(10,088)	(17,592)	–	–
- less: Amount capitalised under construction contracts	(4,208)	(12,189)	–	–
- less: Amount capitalised under building-in-progress	–	(3,113)	–	–
	11,527	7,196	–	2,661
- profit rates on BAIDS	6,663	6,645	6,663	6,645
- bank overdrafts	1,073	1,852	795	1,416
- bankers' acceptances	825	1,861	107	–
- revolving credits	3,531	3,182	2,520	1,084
- hire purchase	1,060	2,594	60	104
- interest on IMTN	7,383	–	7,383	–
- accretion of interest on SUKUK	6,903	–	6,903	–
- interest on SUKUK	4,619	–	4,619	–
- others	173	3,600	–	607
	43,757	26,930	29,050	12,517

37. PROFIT BEFORE TAXATION

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
(a) The following amounts have been included in arriving at profit before taxation:				
Auditors' remuneration				
- statutory	444	282	45	45
- under/(over)provision in prior years	13	(8)	8	5
- special	40	350	37	350
- others	-	8	-	8
Depreciation of property, plant and equipment	5,043	6,864	1,155	748
Bad debts recovered	(90)	-	-	-
Provision for doubtful debts				
- third parties	-	2,580	-	-
- jointly controlled entities	-	-	86,960	23,477
Loss on disposal of property, plant and equipment	46	-	-	–
Property, plant and equipment written off	136	-	-	–
Downward revaluation of property, plant and equipment	-	450	-	-
Write down in value of properties stock	4	3,173	-	2,186
Impairment loss/(reversal) on				
- other investment	4,200	2,025	-	2,025
- capital contribution on joint ventures	(2)	-	-	-
Realised loss on foreign exchange	1,071	1,435	-	351
Direct expenses (including repair and maintenance) attributable to				
- income generating investment properties	4,992	3,039	-	-
- non-income generating investment properties	-	149	-	-
Pre-operating expenses written off	-	27	-	-
(Reversal of)/provision for foreseeable losses for contract work in progress	(14,002)	29,952	–	-
Management fees	-	322	-	-
Project management fees	-	895	-	-
Provision for building maintenance	40	107	-	-
Reversal of provision for foreseeable losses for (Note 4(b)):				
- development properties	(4)	(30)	-	-

37. PROFIT BEFORE TAXATION (CONT'D)

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
(b) Employee benefits expense				
Staff costs (excluding Directors)				
- wages and salaries				
- direct	136,890	125,660	21,134	1,523
- seconded	18,502	13,341	–	–
Social security costs	162	1,083	12	12
Employees' Provident Fund	2,764	2,382	775	654
Bonus and ex-gratia	2,080	2,669	696	791
ESOS expenses	5,951	3,917	2,691	1,438
Other staff related expenses	19,667	22,574	593	1,043
	186,016	171,626	25,901	5,461
(c) Directors' remuneration				
In respect of Company's Directors:				
Executive				
Salaries and other emoluments	3,328	2,931	3,328	2,931
Fees	136	132	76	72
Bonus	–	740	–	740
Employees' Provident Fund	399	440	399	440
Perquisite-ESOS	120	1,552	120	1,552
Benefits-in-kind	228	223	228	223
	4,211	6,018	4,151	5,958
Non-executive				
Salaries and other emoluments	131	428	11	8
Fees	195	204	192	192
Bonus	–	105	–	–
Employees' Provident Fund	14	63	–	–
Perquisite-ESOS	–	246	–	214
Benefits-in-kind	36	62	28	30
	376	1,108	231	444
Total	4,587	7,126	4,382	6,402

Included in non-executive Directors' emoluments for year 2007 were emoluments paid to an executive Director of a subsidiary who was a non-executive Director of the Company. The executive Director of the subsidiary has been redesigned as executive Director of the Company during the financial year.

37. PROFIT BEFORE TAXATION (CONT'D)

	Group 2008 RM'000	Group 2007 RM'000
(c) Directors' remuneration (cont'd)		
In respect of subsidiaries' Directors:		
Executive		
Salaries and other emoluments	1,320	1,710
Fees	84	60
Bonus	–	269
Employees' Provident Fund	159	237
Perquisite-ESOS	37	560
Benefits-in-kind	79	97
	1,679	2,933
Non-executive		
Fees	–	8

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Analysis of Company's Directors' remuneration excluding benefits-in-kind:				
Executive Directors' remuneration	3,983	5,795	3,923	5,735
Non-executive Directors' remuneration	340	1,046	203	414
Total Directors' remuneration	4,323	6,841	4,126	6,149

37. PROFIT BEFORE TAXATION (CONT'D)

(c) Directors' remuneration (cont'd)

The number of Directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Group		Company	
	Executive directors	Non-executive directors	Executive directors	Non-executive directors
31 December 2008				
0 to RM50,000	–	2	–	2
RM100,001 - RM150,000	–	1	–	1
RM300,001 - RM350,000	–	–	1	–
RM400,001 - RM450,000	1	–	1	–
RM450,001 - RM500,000	2	–	1	–
RM500,001 - RM550,000	1	–	1	–
RM550,001 - RM600,000	1	–	1	–
RM700,001 - RM750,000	1	–	1	–
RM850,001 - RM900,000	–	–	1	–
RM950,001 - RM1,000,000	1	–	-	–
	7	3	7	3
31 December 2007				
RM50,001 - RM100,000	–	2	–	2
RM100,001 - RM150,000	–	–	–	1
RM150,001 - RM200,000	–	1	–	1
RM650,001 - RM700,000	1	–	1	–
RM700,001 - RM750,000	-	1	–	–
RM750,001 - RM800,000	1	–	1	–
RM800,001 - RM850,000	1	–	1	–
RM900,001 - RM950,000	1	–	1	–
RM1,150,001 - RM1,200,000	1	–	1	–
RM1,300,001 - RM1,350,000	–	–	1	–
RM1,400,001 - RM1,450,000	1	–	–	–
	6	4	6	4

Notes to the Financial Statements
- 31 December 2008 (cont'd)

38. TAXATION

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Tax expense for the year:				
Malaysian income tax	18,587	60,605	23,257	41,046
Foreign tax	2	45	–	–
	18,589	60,650	23,257	41,046
Overprovided in prior years:				
Malaysian income tax	(6,635)	(2,294)	(4,133)	(1,622)
Foreign tax	(44)	–	–	–
	11,910	58,356	19,124	39,424
Deferred taxation (Note 32)				
Relating to origination and reversal of temporary differences	112	(5,528)	104	(124)
Relating to changes in tax rates	66	(4)	3	99
Under/(over)provided in prior years	964	1,580	1,153	(1,124)
	1,142	(3,952)	1,260	(1,149)
	13,052	54,404	20,384	38,275

Domestic current income tax is calculated at the statutory tax rate of 26% (2007: 27%) of the estimated assessable profit for the financial year. The domestic statutory tax rate will be reduced to 25% in subsequent years of assessment. The computation of deferred tax as at 31 December 2008 has reflected these changes.

The corporate tax for year of assessment 2008/2007 for subsidiary companies with paid-up capital of RM2.5 million and below at the beginning of the basis period for the said year of assessment are as follows:

	Rate	
Chargeable income	2008	2007
First RM500,000	20%	20%
Amount exceeding RM500,000 (2007: RM500,000)	26%	27%

Taxation expenses for other jurisdictions are calculated at the rates prevailing in the respective jurisdictions.

Notes to the Financial Statements
- 31 December 2008 (cont'd)

38. TAXATION (CONT'D)

A reconciliation of income tax expenses applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company respectively are as follows:

	2008 RM'000	2007 RM'000
Group		
Profit before taxation	158,840	283,530
Taxation at Malaysian statutory tax rate of 26% (2007: 27%)	41,298	76,553
Effect of changes in tax rate on opening tax rates on opening balance of deferred tax	(24)	(182)
Effect of different tax rates in other countries	–	(50)
Effect of zero tax rates in foreign countries	(11,902)	(33,427)
Effect of different tax rates for small and medium scale companies	(105)	(140)
Effect of share of results of associates	(5,352)	(2,647)
Income not subject to tax	(9,828)	(2,245)
Expenses not deductible for tax purposes	4,741	17,233
Reversal of deferred tax arising from controlled transfer	(65)	–
Deferred tax assets not recognised during the year	4	23
Underprovision of deferred tax in prior years	964	1,580
Overprovision of income tax in prior years	(6,679)	(2,294)
Tax expense for the financial year	13,052	54,404
Company		
Profit before taxation	81,199	125,161
Taxation at Malaysian statutory tax rate of 26% (2007: 27%)	21,112	33,793
Effect of zero tax rates in foreign branches	(18,426)	–
Deferred tax recognised at different tax rates	3	99
Income not subject to tax	(8,968)	(2,335)
Expenses not deductible for tax purposes	29,643	9,464
Under/(over) provision of deferred tax in prior years	1,153	(1,124)
Overprovision of income tax in prior years	(4,133)	(1,622)
Tax expense for the financial year	20,384	38,275

39. EARNINGS PER SHARE

(i) Basic

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2008 RM'000	**2007 RM'000**
Profit attributable to ordinary equity holders of the Company	101,770	147,862
Weighted average number of ordinary shares in issue	775,505	641,779
Basic earnings per share (sen)	13.12	23.04

(ii) Diluted

For the purpose of calculating diluted earnings per share, the profit for the financial year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of the share options granted to employees.

	Group	
	2008 RM'000	**2007 RM'000**
Profit attributable to ordinary equity holders of the Company	101,770	147,862
Weighted average number of shares in issue and issuable	775,505	641,779
Effect of dilution:		
Shares options	6,434	17,035
Warrants	425	–
Adjusted weighted average number of ordinary shares in issue and issuable	782,364	658,814
Diluted earnings per share (sen)	13.01	22.44

For the purpose of calculating diluted earnings per share, the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares, i.e. Warrants, and ESOS granted to employees.

The weighted average number of shares for basic and diluted earnings per share of the Group for 2007 has been arrived at based on the assumptions that the share split involving the subdivision of each existing ordinary shares of RM1.00 each in the Company into 2 ordinary shares of RM0.50 each in the Company which was completed on 11 February 2008 is included in the calculation of basic and diluted earnings per share.

40. DIVIDENDS

	Dividends in respect of Year			Dividends Recognised in Year	
	2008 RM'000	2007 RM'000	2006 RM'000	2008 RM'000	2007 RM'000
Recognised during the year:					
Interim dividend of 7.5 sen per share less 28% tax, on 213,515,907 ordinary shares of RM1.00 each (5.4 sen per ordinary share), paid on 29 September 2006	–	–	11,530	–	–
Final dividend of 7.5 sen per share less 27% tax, on 302,794,542 ordinary shares of RM1.00 each (5.475 sen per ordinary share), paid on 23 July 2007	–	–	16,578	–	16,578
Interim dividend of 7.5 sen per share less 27% tax, on 307,816,234 ordinary shares of RM1.00 each (5.475 sen per ordinary share), paid on 3 October 2007	–	16,853	–	–	16,853
Final dividend of 4.5 sen per share less 26% tax, on 764,732,349 ordinary shares of RM0.50 each (3.33 sen per ordinary share) paid on 18 June 2008	–	25,465	–	25,465	–
Dividend of 13.5% per ICPS on 86,000,534 ICPS of RM0.10 each paid on 6 August 2008	1,161	–	–	1,161	–
Interim dividend of 5.0 sen per share less 26% tax, on 771,097,141 ordinary shares of RM0.50 each (3.7 sen per ordinary share) paid on 18 September 2008	28,530	–	–	28,530	–

40. DIVIDENDS (CONT'D)

	Dividends in respect of Year			Dividends recognised in Year	
	2008 RM'000	2007 RM'000	2006 RM'000	2008 RM'000	2007 RM'000
Proposed for approval at AGM (not recognised as at 31 December):					
Final dividend for 2008: 4.5 sen per share less 25% tax, on 771,498,961 ordinary shares of RM0.50 each (3.375 sen per ordinary share)	26,038	–	–	–	–
	55,729	42,318	28,108	55,156	33,431

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2008 of 4.5 sen per share less tax of 25% (3.375 sen net per ordinary share) on 771,498,961 ordinary shares of RM0.50 each amounting to a dividend of RM26,038,090 will be proposed for shareholders' approval.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in the shareholders' equity as an appropriation of retained profits in the next financial year ending 31 December 2009.

41. RELATED PARTY DISCLOSURES

(a) The Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Contract revenue from a subsidiary	–	–	269	251
Contract cost payable to a subsidiary	–	–	358,569	340,971
Purchase of property, plant and equipment from a jointly controlled entity	253	–	506	–
Rent expense payable to a company related to a Director of the Company	378	367	–	–
Management fee receivable from subsidiaries	–	–	94,704	16,430
Management fee receivable from a jointly controlled entity	13,992	–	27,984	–
Gross dividend receivable from subsidiaries	–	–	84,803	113,580
Interest receivable from subsidiaries	–	–	11,587	–
Advances to jointly controlled entities	–	–	362,902	210,881

The above transactions were transacted at terms and conditions similar to those which were offered to/(by) unrelated parties except for management fees which were mutually agreed between the parties concerned. Balances due from/(to) these parties are detailed in Note 13 to the financial statements.

41. RELATED PARTY DISCLOSURES (CONT'D)

(b) Compensation of key management personnel

The Company defines key management personnel as its Directors whose remunerations are detailed in Note 37(c) to the financial statements.

42. OPERATING LEASE ARRANGEMENTS

(a) The Group as lessee

The Group has entered into non-cancellable operating lease agreements for the use of land and buildings. These leases have an average life of between 1 and 3 years with no renewal or purchase option included in the contracts. There are no restrictions placed upon the Group by entering into these leases.

The future aggregate minimum lease payments under non-cancellable operating leases contracted for as at the balance sheet date but not recognised as liabilities, are as follows:

	Group	
	2008	**2007**
	RM'000	**RM'000**
Future minimum rental payments:		
Not later than 1 year	1,726	2,402
Later than 1 year and not later than 5 years	758	465
	2,484	2,867

The lease payments and rent capitalised under construction contracts during the financial year are disclosed in Note 11 to the finnacial statements.

(b) The Group as lessor

The Group has entered into non-cancellable operating lease agreements on its investment properties portfolio. These leases have remaining non-cancellable lease terms of between 1 and 30 years. Certain leases have auto renewal option of 2 years included in the contracts.

The future minimum lease payments receivable under non-cancellable operating leases contracted for as at the balance sheet date but not recognised as receivables, are as follows:

	Group	
	2008	**2007**
	RM'000	**RM'000**
Not later than 1 year	27,864	27,336
Later than 1 year and not later than 5 years	96,882	98,937
Later than 5 years	95,309	118,877
	220,055	245,150

Investment properties rental income, including contingent rent, recognised in income statement during the financial year is disclosed in Notes 33 and 35.

43. COMMITMENT

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Capital expenditure approved and contracted for investments	–	28,261	–	28,261
Capital expenditure approved and contracted for property, plant and equipment	57,018	5,807	–	–
Capital expenditure approved but not contracted for property, plant and equipment	704	25,911	–	497
Share of capital commitment of jointly controlled entities	12,312	12,784	12,312	12,312
	70,034	72,763	12,312	41,070

44. CONTINGENT LIABILITIES

	Company 2008 RM'000	Company 2007 RM'000
(a) (i) Corporate guarantees given to trade suppliers and financial institutions for credit facilities granted to subsidiaries:		
- trade suppliers	88,000	36,550
- financial institutions	817,413	1,133,075
	905,413	1,169,625
(ii) Other guarantee	2,275,770	2,275,770
	3,181,183	3,445,395

Other guarantee refers to guarantee given to a joint venture partner and a contract customer to secure the performance of the Company's obligation for the joint venture work, including the obligation to repay any funding requirement.

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
(b) * Performance, advance payment and tender guarantee granted to:				
- clients	493,391	386,852	207,964	171,000
- clients of subsidiaries	21,820	41,749	14,936	41,750
- clients of unincorporated jointly controlled entities	258,582	694,202	258,582	694,202
- others	20,689	22,471	–	–
	794,482	1,145,274	481,482	906,952

Notes to the Financial Statements

- 31 December 2008 (cont'd)

44. CONTINGENT LIABILITIES (CONT'D)

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
(c) * Letters of credit utilised by:				
- subsidiaries	36,773	8,753	–	–
- unincorporated jointly controlled entities	–	6,531	–	6,531
	36,773	15,284	–	6,531
(d) Tax matters under appeal by:				
- a subsidiary	6,980	–	–	–
- an associate	2,600	–	–	–
	9,580	–	–	–

(e) On 30 June 2005, Westbury Tubular (M) Sdn Bhd ("Plaintiff") filed an action against Ahmad Zaki Sdn Bhd (1st Defendant), Murray & Roberts (Malaysia) Sdn Bhd (2nd Defendant) and the Company (3rd Defendant) (1st Defendant, 2nd Defendant and 3rd Defendant collectively referred to as the "Defendants") claiming inter alia:

(i) an outstanding sum for the variation orders under the sub-contract works between the Plaintiff and Defendants for the project known as "Formula One Racing Circuit Facility and Associated Works" for an amount of RM14,776,522;

(ii) interest at the rate of 8% per annum on the RM14,776,522 calculated from the date of filing of the action until the date of full settlement;

(iii) costs; and

(iv) any other relief deemed fit by the Court.

The Plaintiff's application to consolidate the aforesaid action with another related matter vides Kuala Lumpur High Court Suit No. S2-22-132-2000 ("Related Case") has been allowed by the Court on the 8 June 2007 with costs to be borne by the Plaintiff. The matter is now fixed for further case management on 26 May 2009 to enable the Plaintiff to file an additional bundle of document.

The Defendants disputed the Plaintiff's claims and shall in consultation with their solicitors take the necessary legal action to rebut the claims and to vigorously defend the case.

45. COMPARATIVES

The following comparatives amounts for the financial year ended 31 December 2007 have been adjusted to conform with current year's presentation:

Effects on income statement	As Restated RM'000	Adjustments RM'000	Previously Stated RM'000
Group			
Other operating income	60,838	(27,502)	88,340
Other expenses	(9,433)	27,502	(36,935)
Company			
Turnover	497,035	138,658	358,377
Other operating income	16,707	(165,922)	182,629
Other expenses	(29,136)	27,264	(56,400)
Effects on balance sheet			
Group			
Others receivables	175,388	27,654	147,734
Due from related parties	14,047	(27,654)	41,701
Other payables	(441,113)	(30,294)	(410,819)
Due to related parties	–	30,294	(30,294)
Deferred tax assets	7,431	2,878	10,309
Deferred tax liabilities	(5,331)	(2,878)	(8,209)
Company			
Others receivables	6,467	808	5,659
Due from related parties	692,147	(808)	692,955
Other payables	(51,398)	(3,501)	(47,897)
Due to related parties	(43,288)	3,501	(46,789)

46. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks (both fair value and cash flow), foreign currency risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

(b) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

The following tables set out the carrying amounts, the weighted average effective interest rates (WAEIR) as at the balance sheet date and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk:

	Note	WAEIR %	Within 1 Year RM'000	1-2 Years RM'000	2-3 Years RM'000	3-4 Years RM'000	4-5 Years RM'000	More than 5 Years RM'000	Total RM'000
At 31 December 2008									
Group									
Fixed rate									
Deposits	14	3.00	553,642	–	–	–	–	–	553,642
Hire purchase creditors	19	5.73	(10,085)	(4,871)	(1,189)	–-	–	–	(16,145)
Term loans	22	6.85	(6,671)	(57,296)	(8,453)	(8,720)	(9,454)	(107,769)	(198,363)
IMTN	23	4.95	–	–	(200,000)	–	–	–	(200,000)
BAIDS	25	6.65	–	(30,000)	(30,000)	(40,000)	–	–	(100,000)
SUKUK	26	5.07	–	–	(93,987)	(91,218)	(88,280)	–	(273,485)
Floating rate									
Bank overdrafts	20	7.66	(19,990)	–	–	–	–	–	(19,990)
Bankers' acceptance	21	4.07	(38,464)	–	–	–	–	–	(38,464)
Revolving credits	21	3.46	(184,956)	–	–	–	–	–	(184,956)
Term loans	22	4.76	(41,554)	(9,993)	(50,000)	–	–	–	(101,547)

46. FINANCIAL INSTRUMENTS (CONT'D)

(b) Interest rate risk (cont'd)

	Note	WAEIR %	Within 1 Year RM'000	1-2 Years RM'000	2-3 Years RM'000	3-4 Years RM'000	4-5 Years RM'000	More than 5 Years RM'000	Total RM'000
At 31 December 2008									
Company									
Fixed rate									
Deposits	14	3.39	391,399	–	–	–	–	–	391,399
Hire purchase creditors	19	3.62	(728)	(228)	(10)	–	–	–	(966)
IMTN	23	4.95	–	–	(200,000)	–	–	–	(200,000)
BAIDS	25	6.65	–	(30,000)	(30,000)	(40,000)	–	–	(100,000)
SUKUK	26	5.07	–	–	(93,987)	(91,218)	(88,280)	–	(273,485)
Floating rate									
Bank overdrafts	20	7.75	(15,876)	–	–	–	–	–	(15,876)
Bankers' acceptance	21	4.13	(20,270)	–	–	–	–	–	(20,270)
Revolving credits	21	3.46	(184,956)	–	–	–	–	–	(184,956)
At 31 December 2007									
Group									
Fixed rate									
Deposits	14	3.34	374,275	–	–	–	–	–	374,275
Hire purchase creditors	19	6.16	(10,111)	(7,521)	(1,467)	–	–	–	(19,099)
Term loans	22	6.84	(33,047)	(6,671)	(57,296)	(8,453)	(8,720)	(94,943)	(209,130)
ICP	23	3.87	(25,000)	–	–	–	–	–	(25,000)
CRDS	24	7.00	(55,381)	–	–	–	–	–	(55,381)
BAIDS	25	6.65	–	–	(30,000)	(30,000)	(40,000)	–	(100,000)
Floating rate									
Bank overdrafts	20	7.63	(45,282)	–	–	–	–	–	(45,282)
Bankers' acceptance	21	4.01	(34,610)	–	–	–	–	–	(34,610)
Revolving credits	21	5.64	(337,223)	–	–	–	–	–	(337,223)
Term loans	22	5.60	(44,813)	(42,875)	(29,384)	–	–	–	(117,072)

46. FINANCIAL INSTRUMENTS (CONT'D)

(b) Interest rate risk (cont'd)

	Note	WAEIR %	Within 1 Year RM'000	1-2 Years RM'000	2-3 Years RM'000	3-4 Years RM'000	4-5 Years RM'000	More than 5 Years RM'000	Total RM'000
At 31 December 2007									
Company									
Fixed rate									
Investment in subsidiaries	6	7.00	71,496	–	–	–	–	–	71,496
Deposits	14	3.36	170,209	–	–	–	–	–	170,209
Hire purchase creditors	19	5.29	(607)	(563)	(52)	–	–	–	(1,222)
ICP	23	3.87	(25,000)	–	–	–	–	–	(25,000)
BAIDS	25	6.65	–	–	(30,000)	(30,000)	(40,000)	–	(100,000)
Floating rate									
Bank overdrafts	20	7.75	(13,907)	–	–	–	–	–	(13,907)
Bankers' acceptance	21	4.20	(18,097)	–	–	–	–	–	(18,097)
Revolving credits	21	4.87	(267,523)	–	–	–	–	–	(267,523)

Interest on financial instruments at fixed rates are fixed until the maturity of the instrument. The other financial instruments of the Group and of the Company that are not included in the above tables are not subject to interest rate risks.

(c) Foreign currency risk

The Group is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States Dollars (USD), UAE Dirhams (AED), Bahrain Dinars (BHD), Qatari Riyals (QAR) and Indian Rupees (INR). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency which is pegged with the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

46. FINANCIAL INSTRUMENTS (CONT'D)

(c) Foreign currency risk (cont'd)

The net unhedged financial assets and liabilities of the Group companies that are not denominated in their functional currencies are as follows:

	Net financial assets/(liabilities) held in non-functional currencies										
	Ringgit Malaysia RM'000	United States Dollars RM'000	Bahrain Dinars RM'000	Qatari Riyals RM'000	Euro RM'000	British Pound RM'000	Japanese Yen RM'000	UAE Dirhams RM'000	Indian Rupees RM'000	Vietnamese Dong RM'000	Total RM'000
Functional Currency of Group Companies											
At 31 December 2008											
Ringgit Malaysia	–	(181,882)	14,877	286	–	–	–	–	–	3	(166,716)
Bahrain Dinars	(9,736)	(4)	–	(2,253)	100	–	–	(320)	–	–	(12,213)
Qatari Riyal	(285,327)	(23)	(24,241)	–	–	–	–	–	–	–	(309,591)
United States Dollars	–	–	–	–	–	–	–	–	138,937	–	138,937
UAE Dirhams	–	–	–	–	69,968	–	–	–	–	–	69,968
Vietnamese Dong	–	36	–	–	–	–	–	–	–	–	36
	(295,063)	(181,873)	(9,364)	(1,967)	70,068	–	–	(320)	138,937	3	(279,579)
At 31 December 2007											
Ringgit Malaysia	–	(215,613)	14,840	210	–	–	–	–	–	–	(200,563)
Bahrain Dinars	(9,967)	(2,469)	–	(1,988)	(194)	–	–	(32,261)	–	–	(46,879)
Qatari Riyal	(127,939)	544	–	–	(172)	(24)	–	–	–	–	(127,591)
United States Dollars	–	–	–	–	–	–	–	–	137,295	–	137,295
UAE Dirhams	(160)	–	–	–	–	–	–	–	–	–	(160)
	(138,066)	(217,538)	14,840	(1,778)	(366)	(24)	–	(32,261)	137,295	–	(237,898)

(d) Liquidity risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short term funding as to achieve overall cost effectiveness.

(e) Credit risk

The Group's credit risk is primarily attributable to trade receivables. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

46. FINANCIAL INSTRUMENTS (CONT'D)

(e) Credit risk (Cont'd)

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The Group's significant concentrations of credit risk are disclosed in Notes 11 and 12.

(f) Fair values

The carrying amounts of financial assets and liabilities of the Group and of the Company at the balance sheet date approximate their fair values except for the followings:

		Group		Company	
	Note	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
At 31 December 2008					
Financial assets					
Non-current unquoted shares	9	10,498	*	–	–
Non-current unquoted bonds	9	800	762	–	–
		11,298	762	–	–
Financial liabilities					
Hire purchase payables	19	16,145	14,889	966	930
Term loans	22	299,910	246,731	–	–
ICP/IMTN	23	200,000	198,354	200,000	198,354
BAIDS	25	100,000	96,001	100,000	96,001
SUKUK	26	273,485	260,895	273,485	260,895
		889,540	816,870	574,451	556,180
At 31 December 2007					
Financial assets					
Quoted investments in 3% CRDS A	6	–	–	59,501	226,124
Unquoted investments in 3% CRDS B	6	–	–	11,995	11,312
Non-current unquoted shares	9	10,498	*	–	–
Non-current unquoted bonds	9	5,000	4,955	–	–
		15,498	4,955	71,496	237,436

46. FINANCIAL INSTRUMENTS (CONT'D)

(f) Fair values (cont'd)

		Group		Company	
	Note	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial Liabilities					
Hire purchase payables	19	19,099	18,286	1,222	1,174
Term loans	22	326,202	277,439	-	-
ICP/IMTN	23	25,000	25,000	25,000	25,000
3% CRDS A	24	55,376	57,056	-	-
3% CRDS B	24	5	5	-	-
BAIDS	25	100,000	98,563	100,000	98,563
		525,682	476,349	126,222	124,737

* It is not practicable to estimate the fair value of the Group's and the Company's non-current unquoted shares because of the lack of quoted market prices and the inability to estimate the fair value without incurring excessive costs.

** It is also not practical to estimate the fair values of amounts due from/(to) subsidiaries, associates and jointly controlled entities due principally to a lack of fixed repayment term entered by the parties involved and without incurring excessive costs. However, the Group does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

The methods and assumptions used by management to determine fair value of financial instruments other than those whose carrying amounts reasonably approximate their fair values are as follows:

(i) Non-current unquoted bonds

Fair value of these unquoted bonds have been estimated using a valuation technique based on assumptions of certain dividend yield and discount rate that are not supported by observable market prices or rates. Management believes the estimated fair values resulting from the valuation technique are reasonable and the most appropriate at the balance sheet date.

(ii) Borrowings

Fair value has been determined using discounted estimated cash flows. The discount rates used are the current market incremental lending rates for similar types of borrowing arrangements.

In respect of BAIDS and SUKUK, fair values are estimated by discounting the expected future cash flows using the indicative market rates available for each of the series.

Notes to the Financial Statements
- 31 December 2008 (cont'd)

47. SIGNIFICANT EVENTS

During the year:

(a) The Company issued a Islamic Serial Redeemable Bond ("SUKUK") which comprises the issuance of RM300 million nominal value of SUKUK, together with detachable Warrants Rights. Upon issuance, the Primary Subscriber detached the Warrants Rights and placed out only the Islamic Serial Redeemable Sukuk to secondary investors. The Primary Subscriber or the Offeror offered the Warrants Rights for sale to the Entitled Shareholders of the Company on the basis of 1 provisional right to allotment of 1 Warrant for every 5 Entitled Shares held on the Entitlement Date and at an offer price of RM0.25 per Warrant.

The salient features of the SUKUK are disclosed in Note 26.

(b) Pursuant to the issuance of the RM300 million nominal value of SUKUK together with detachable Warrants Rights, 139,887,452 warrants were allotted and listed on the Main Board of Bursa Malaysia Securities Berhad on 28 April 2008.

The salient features of the warrants are disclosed in Note 27(c).

(c) The Company extended a voluntary take-over offer to the Board of Director of WCT Land Sdn. Bhd. (formerly known as WCT Land Berhad), a 64.83% owned subsidiary of the Company as detailed in Note 6(b). All the CRDS A and CRDS B were either converted to new ordinary shares or redeemed. WCTL was delisted from the Official List of Bursa Securities on 12 March 2008. The Company invoked Section 34 of the Securities Commission Act, 1993 to compulsorily acquire the remaining shares which acceptances were not received. Consequently, WCTL become a wholly-owned subsidiary of the Company pursuant to the completion of the compulsory acquisition. On 18 April 2008, WCTL has changed its name from WCT Land Berhad to WCT Land Sdn. Bhd..

(d) On 5 June 2008, the Company has officially changed its name from WCT Engineering Berhad to WCT Berhad.

(e) On 29 September 2008, RHB Investment Bank Berhad, on behalf of the Company, announced that the Group has entered into the following agreements with Employees Provident Fund ("EPF"):

   (a) a conditional share sale agreement ("SSA") with EPF for the Proposed Disposal of 48,000,000 ordinary shares of RM1.00 each in Jelas Puri Sdn. Bhd. ("JPSB") representing 30% of the enlarged issued and paid up share capital of JPSB for a total cash consideration of RM87.36 million ("Proposed Disposal"); and

   (b) a conditional subscription agreement with EPF ("Subscription Agreement") for the subscription by EPF of RM390.0 million nominal value of 5-year 6% per annum redeemable secured loan stocks ("RSLS") at 100% nominal value to be issued by JPSB ("Proposed RSLS Issue").

The shareholders of the Company had approved the Proposed Disposal via an Extraordinary General Meeting held on 9 April 2009.

48. CONTRACT DISPUTE

On 25 December 2008, the Arabtec Construction LLC - WCT Engineering Berhad (Dubai Branch) Joint Venture (the "Joint Venture") in which the Company has 50% share which was responsible for the construction of the Nad Al Sheba racecourse in Dubai, received a notice from the employer, Meydan LLC ("Meydan"), purporting to terminate the contract on 9 January 2009 for reasons which management consider did not justify such termination. Subsequently, by way of its notice dated 10 January 2009, the Joint Venture purported to terminate the contract on 24 January 2009 on a number of grounds including failure to pay certified amounts, the Joint Venture's exclusion from the site and Meydan's wrongful calls on the Performance Security and Advance Payment Guarantee.

48. CONTRACT DISPUTE (CONT'D)

Notice of the call of the Performance Security amounting to AED461.3 million (Group's share : AED230.65 million or approximately RM218.6 million) and the Advance Payment Guarantee amounting to AED77.3 million (Group's share : AED38.6 million or approximately RM36.6 million) was received by the Joint Venture on 29 December 2008. Management has accrued the amount payable on the Performance Security in the Group's consolidated financial statements, and has simultaneously recorded a receivable for the same amount from Meydan, pending resolution of the arbitration. Please refer to Note 2.4(a)(iv) on critical judgements for the arbitration proceedings.

The following balances relating to the above contract are in the Group's consolidated financial statements:

	(Group's 50% share) RM'000
Income statement	
Contract revenue	622,221
Contract costs	(622,221)
Gross contract margin	–
Balance sheet	
Non-current assets	
Property, plant and equipment	18,318
Trade receivables	
Contract receivables [(1)]	5,467
Amounts due from customer for contract work [(1)]	258,003
Retention sum receivable [(1)]	42,943
Other receivables	
Advance paid to suppliers and sub-contractors [(1)]	65,043
Performance security deposits	218,642
	608,417
Current assets	
Other receivables	
Sundry receivables	4,155
Advance paid to suppliers and sub-contractors	9,562
	13,717
Total assets	622,134
Non-current liabilities	
Trade payables [(2)]	5,105
Retention sum payable [(2)]	2,739
Other payables [(2)]	218,182
Performance security payable	214,539
Advance received from customer [(2)]	64,770
Amount due to related parties	72,292
	577,627

48. CONTRACT DISPUTE (CONT'D)

The following balances relating to the above contract are in the Group's consolidated financial statements (cont'd):

	(Group's 50% share) RM'000
Current liabilities	
Trade payables	19,053
Other payables	13,694
Retention payable - current portion	3,750
Advance received from customer	7,168
	43,665
Total liabilities	621,292
Net assets	842
Surplus	842

(1) Include receivables of RM291 million in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecource project.

(2) Include payables of RM291 million in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecource project.

On 11 January 2009, the Joint Venture served its request for arbitration, submitting an initial claim of which the Group's share is in excess of AED 800 million (or approximately RM758 million). Management believes, based on a preliminary legal opinion they have received, that the prospects of success in the arbitration are favourable and that no additional provisions for the dispute are required at the balance sheet date.

In accordance with the Group's accounting policy relating to contracts where the outcome cannot be estimated reliably, revenue has been recognised only to the extent of contract costs incurred to date, which management considers is not doubtful of recovery and therefore no provision has been made against the amounts due from the customer for contract work. No profit has been taken on the contract to date pending the outcome of the Group's claims and conclusion of the arbitration proceedings. All the assets and liabilities subject to the arbitration process are classified as non-current assets or liabilities as appropriate.

49. SEGMENT INFORMATION

(a) Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(b) Business segments

The following are the main business segments:

(i) civil engineering and construction - civil engineering works specialising in earthworks, highway construction and related infrastructure works;

(ii) property development - the development of residential and commercial properties;

(iii) property and investment holding - property investment and trading in property; and

(iv) trading - trading of building materials.

(c) Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. The Group's business segments operate in four main geographical areas:

(i) Malaysia - the operations in this area are principally civil engineering and constructions, property development, trading, property investment and investment holding;

(ii) Middle East - the operations in this area are principally through the construction of a shopping mall in Kingdom of Bahrain, construction and design of highway and airport in Qatar, construction of sewerage and racecourse in Dubai and the construction of F1 Circuit in Abu Dhabi;

(iii) Mauritius - the operations in this area are principally investment holding for the three concession companies in India;

(iv) India - the operations in this area are principally the construction of highway and concessionaires.

(d) Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Segment revenue, expenses and results include transfers betweeen business segments. These transfers are eliminated on consolidation.

49. SEGMENT INFORMATION (CONT'D)

Business Segments

The following table provides an analysis of the Group's revenue, results, assets liabilities and other information by business segment:

	Civil engineering and construction RM'000	Trading RM'000	Property development RM'000	Property and investment holding RM'000	Unallocated RM'000	Eliminations RM'000	Consolidated RM'000
31 December 2008							
Revenue							
Revenue from external customers	3,497,884	76,802	191,967	28,834	–	–	3,795,487
Inter-segment revenue	488,640	47,657	–	99,403	–	(635,700)	–
Total revenue	3,986,524	124,459	191,967	128,237	–	(635,700)	3,795,487
Result							
Profit from operations	82,436	2,247	70,318	27,013	–	–	182,014
Finance costs							(43,757)
Share of profit of associates							20,583
Taxation							(13,052)
Profit after taxation							145,788
Assets							
Segment assets	2,685,964	19,380	601,499	977,844	115	–	4,284,802
Unallocated assets	–	–	–	–	189,102	–	189,102
Deferred tax							6,324
Consolidated total assets							4,480,228
Liabilities							
Segment liabilities	2,692,772	20,809	207,262	202,108	–	–	3,122,951
Unallocated liabilities	–	–	–	–	17	–	17
Consolidated total liabilities							3,122,968
Other Information							
Capital expenditure	119,871	–	1,570	6,254	–	–	127,695
Depreciation	70,263	2,494	898	1	–	–	73,656
Non-cash expenses other than depreciation	(27,687)	–	195	(15,174)	–	–	(42,666)

49. SEGMENT INFORMATION (CONT'D)

Business Segments (cont'd)

	Civil engineering and construction RM'000	Trading RM'000	Property development RM'000	Property and investment holding RM'000	Unallocated RM'000	Eliminations RM'000	Consolidated RM'000
31 December 2007							
Revenue							
Revenue from external customers	2,438,185	86,734	253,993	2,789	–	–	2,781,701
Inter-segment revenue	557,779	65,652	–	41,999	–	(665,430)	–
Total revenue	2,995,964	152,386	253,993	44,788	–	(665,430)	2,781,701
Result							
Profit from operations	189,627	900	93,304	16,825	–	–	300,656
Finance costs							(26,930)
Share of profit of associates							9,804
Taxation							(54,404)
Profit after taxation							229,126
Assets							
Segment assets	1,902,968	20,823	948,831	470,481	138	–	3,343,241
Investment in associates	140,999	–	–	–	–	–	140,999
Consolidated total assets							3,484,240
Liabilities							
Segment liabilities	1,678,582	45,314	286,274	306,213	–	–	2,316,383
Unallocated liabilities	–	–	–	–	25	–	25
Consolidated total liabilities							2,316,408
Other Information							
Capital expenditure	110,550	–	239,329	3,726	–	–	353,605
Depreciation	48,368	2,509	982	1	–	–	51,860
Non-cash expenses other than depreciation	43,254	30	1,139	(16,430)	–	–	27,993

49. SEGMENT INFORMATION (CONT'D)

Geographical segments

The following table provides an analysis of the Group's revenue, assets and capital expenditure, analysed by geographical segment:

	Total revenue from external customers		Segment assets		Capital expenditure	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Malaysia	1,233,310	1,139,569	2,129,142	1,917,108	20,376	267,255
Middle East	2,562,177	1,642,132	2,159,095	1,418,950	107,297	86,350
Mauritius	–	–	411	336	–	–
India	–	–	165,802	147,846	–	–
Vietnam	–	–	115	–	22	–
Consolidated	3,795,487	2,781,701	4,454,565	3,484,240	127,695	353,605

List of Properties

Title/Address	Description	Land/ Built-up area under valuation (sf)	Tenure/ Age of building (years)	Existing use	No Of Units	Market value by Valuer/ Date of valuation RM	Acquisition price/date of acquisition RM	NBV as at 31 December 2008 RM
No 12, Jalan Majistret, U1/26, Seksyen U1, Lot 44, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor	4 Storey Warehouse & Office Building	45,740	Freehold/ 12	Owner occupied as corporate office	1	7,362,774/ 13 February 2004	–/–	7,500,000
Title No. H.S. (M) 6049 Lot No. P.T. 891 Mukim of Damansara District of Petaling State of Selangor/ Lot 891, Jalan Subang 9 Taman Perindustrian Subang 47630 Subang Jaya Selangor Darul Ehsan	A factory complex which accommodates 3 units of single storey factory buildings	119,790/ 56,589	Leasehold interest 99 years expiring on 20 October 2065/ 17	Tenanted to manufacturing concern	1	6,700,000/ December 2007	6,000,000/ 27 December 2002	6,700,000
Title No. H.S. (D) 30978 Lot No. P.T. 17408 Mukim of Kapar District of Klang State of Selangor/ Lot 23, Lorong Keluli 1C Bukit Raja Prime Industrial Park 41050 Klang Selangor Darul Ehsan	A factory complex which accommodates a 3-storey office building with an annexed single storey factory	108,904/ 72,302	Freehold/ 14	Tenanted to manufacturing concern	1	7,400,000/ December 2007	7,490,072/ 27 December 2002	7,400,000
Master Title Nos. PN34122 (formerly 112947), PN34120 (formerly 112948), PN34125 (formerly 226735), PN34124 (formerly 112950), Master Lot Nos. 62166 Section 40 (formerly No.11), 62165 Section 40 (formerly No.12), 15 Section 40 (formerly No.13) & 17 Section 40 (formerly No.15) respectively Bandar Petaling Jaya State of Selangor/ NA	An on-going commercial development	12.9 acres/ –	Master title: Leasehold interest 99 years expiring on 14 July 2096/ –	Property Development Project	–	–	–	150,077,878

List of Properties (cont'd)

Title/Address	Description	Land/ Built-up area under valuation (sf)	Tenure/ Age of building (years)	Existing use	No Of Units	Market value by Valuer/ Date of valuation RM	Acquisition price/date of acquisition RM	NBV as at 31 December 2008 RM
Part of the land held under Title No. Town Lease 017544866, District of Kota Kinabalu, Locality of Sembulan, State of Sabah/ NA	An on-going mixed development township	21.5 acres/ –	Master title: Leasehold interest 99 years expiring on 31 December 2091/	Property Development Project		–	–	73,940,177
Property No 0013 Road No 52, Block No 952, Raszuwaid Kingdom of Bahrain	Warehouse / Labour Accomodation	151,201.9	Freehold Land	Warehouse / Labour Accomodation	1	25,131,196 / December 2008	13,925,246 / 11 April 2006	24,872,728
Formerly held under Master Title Nos. C.T. 26265 & C.T. 26266, Master Lot Nos. 7725 & 7726 respectively Mukim and District of Klang State of Selangor/ Bandar Bukit Tinggi, Klang Selangor Darul Ehsan	An on-going mixed development township		Master title: Freehold/ –	Property Development Project	–	–		3,800,852
Unsold units - Inventory Bandar Bukit Tinggi I	Shop Apartment		Freehold/ 9	Vacant	4		Total = 332,351/ –	332,351
	Shop office		Freehold/ 10	Vacant	34		Total = 295,425 / –	295,425
	Tower A		Freehold/ 1	Vacant	23		Total = 20,295,270	20,295,270
	Tower B		Freehold/ 1	Vacant	21		Total = 23,831,644	23,831,644
	Double / 2½ Storey Semi-Detached House		Freehold/ 1	Vacant	30		Total = 17,546,922	17,546,922
	Shop Office		Freehold/ 1	Vacant	1		Total = 333,365	333,365
								66,435,828

List of Properties (cont'd)

Title/Address	Description	Land/ Built-up area under valuation (sf)	Tenure/ Age of building (years)	Existing use	No Of Units	Market value by Valuer/ Date of valuation RM	Acquisition price/date of acquisition RM	NBV as at 31 December 2008 RM
Master Title Nos Geran 50553 & Geran 24133, Master Lot Nos. 6677 & 46 respectively Mukim and District of Klang State of Selangor/ Bandar Bukit Tinggi 2, Klang, Selangor Darul Ehsan	An on-going mixed development township	561.75 acres/ –	Master title: Freehold/ –	Property Development Project	–		–	59,179,719.
Investment property Shopping mall Bandar Bukit Tinggi II	A 6-Storey Shopping mall	12.169 acres/ –	Freehold/ 2	Lease to AEON	1	327,392,732/ December 2008	295,821,813	327,392,732
Investment property Commercial land Bandar Bukit Tinggi II	A piece of petrol kiosk land	1.08 acres/ –	Freehold/ 2	Lease to ESSO	1	4,704,480/ December 2007	1,388,575	4,704,480
Unsold units – Inventory Bandar Bukit Tinggi II	Double Storey Terrace House	–/ 1,796 to 2,877 Total = 21,695	Freehold/ 1 - 5	Vacant	12	–	Total = 2,978,450/	2,978,450
	Low Cost Shop	–/ 846 each Total = 5,076	Freehold/ 2	Vacant	6	–	Total = 517,466/ –	517,466
	Shop office	–/ 3,436 to 5,319 Total = 29,371	Freehold/ 2	Vacant	8	–	Total = 3,054,843/ –	3,054,843
	Low Cost Apartment	–/ 650 each Total = 18,200	Freehold/ 6	Vacant	28	–	Total = 1,064,000/ –	1,064,000
								398,891,690

List of Properties (cont'd)

Title/Address	Description	Land/ Built-up area under valuation (sf)	Tenure/ Age of building (years)	Existing use	No Of Units	Market value by Valuer/ Date of valuation RM	Acquisition price/date of acquisition RM	NBV as at 31 December 2008 RM
Master Title Nos. Geran 43530 & Geran 53052, Master Lot Nos. 77975 & 67694 respectively Mukim and District of Klang State of Selangor Bandar Parklands Klang, Selangor Darul Ehsan	An on-going mixed development township	426.5715 acres/ –	Master title: Freehold/ –	Property Development Project		–	–	187,533,120
Unsold units – Inventory Bandar Bukit Tinggi II	Double Storey Terrace House	1,830 to 2,233 Total = 23,064	Freehold/ 2	Vacant	11	–	Total = 3,201,425/ –	3,201,425
								190,734,545

Analysis of Shareholdings

As at 30 April 2009

Authorised Share Capital	:	RM800,000,000-00 divided into 1,400,000,000 ordinary shares of RM0.50 each and 1,000,000,000 preference shares of RM0.10 each
Total Issued Ordinary Shares	:	771,954,561 Ordinary Shares of RM0.50 each
Total Outstanding Preference Shares	:	55,115,541 Irredeemable Convertible Preference Shares of RM0.10 each
Total Issued & Paid-up Share Capital	:	RM391,488,835.00

(A) ORDINARY SHARES

Total Issued Ordinary Shares	:	771,954,561 Ordinary Shares of RM0.50 each
Voting rights	:	One (1) vote per ordinary share of RM0.50 each

(1) Analysis by size of Shareholdings as at 30 April 2009

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	1,887	16.67	92,988	0.01
100 -1,000	2,316	20.47	1,169,487	0.15
1,001 -10,000	5,044	44.58	22,330,312	2.89
10,001 and 100,000	1,694	14.97	50,438,020	6.54
100,001 to less than 5% of issued shares	372	3.29	451,807,418	58.53
5% and above of issued shares	2	0.02	246,116,336	31.88
Total	**11,315**	**100.00**	**771,954,561**	**100.00**

(2) Thirty Largest Shareholders as at 30 April 2009

No	Names	NRIC/Reg. No.	No. of Shares	%
1	WCT Capital Sdn Bhd	219912A	133,000,462	17.22
2	Employees Provident Fund Board	EPFACT1991	113,115,874	14.65
3	Kumpulan Wang Persaraan (Diperbadankan)	KWAPACT6622007	29,136,500	3.77
4	AllianceGroup Nominees (Tempatan) Sdn Bhd *(Pheim Asset Management Sdn Bhd For Employees Provident Fund)*	42234H	26,407,423	3.42
5	Citigroup Nominees (Tempatan) Sdn Bhd *(CMS Trust Management Berhad For Employees Provident Fund)*	267011M	23,055,600	2.99
6	HSBC Nominees (Asing) Sdn Bhd *(Exempt AN For JPMorgan Chase Bank, National Association Norges Bank)*	4381U	22,389,500	2.90
7	HSBC Nominees (Asing) Sdn Bhd *(BBH And Co Boston For GMO Emerging Markets Fund)*	4381U	21,031,721	2.72
8	Amanah Raya Nominees (Tempatan) Sdn Bhd *(A/c For Amanah Saham Malaysia)*	434217U	16,493,856	2.14
9	AMMB Nominees (Tempatan) Sdn Bhd *(AmBank (M) Berhad For WCT Capital Sdn Bhd)*	51181W	15,600,000	2.02
10	Valuecap Sdn Bhd	595989V	12,690,700	1.64
11	Amanah Raya Nominees (Tempatan) Sdn Bhd *(A/c For Amanah Saham Wawasan 2020)*	434217U	11,195,754	1.45
12	Malaysia Nominees (Tempatan) Sdn Bhd *(A/c For WCT Capital Sdn Bhd)*	6193K	10,700,000	1.39
13	SBB Nominees (Tempatan) Sdn Bhd *(A/c For Employees Provident Fund Board)*	22016H	9,418,316	1.22

Analysis of Shareholdings

As at 30 April 2009 (cont'd)

No	Names	NRIC/Reg. No.	No. of Shares	%
14	Amsec Nominees (Tempatan) Sdn Bhd *(AmTrustee Berhad For CIMB Islamic Dali Equity Growth Fund)*	102918T	8,377,655	1.08
15	Amanah Raya Nominees (Tempatan) Sdn Bhd *(A/c For Sekim Amanah Saham Nasional)*	434217U	7,006,020	0.91
16	Mayban Nominees (Tempatan) Sdn Bhd *(Mayban Investment Management Sdn Bhd For Kumpulan Wang Simpanan Pekerja)*	258939H	6,210,000	0.80
17	HSBC Nominees (Asing) Sdn Bhd *(Exempt AN For J.P Morgan Chase Bank National Association U.K)*	4381U	5,926,000	0.77
18	HSBC Nominees (Asing) Sdn Bhd *(Exempt AN For JPMorgan Chase Bank, National Association Saudi Arabia)*	4381U	5,706,400	0.74
19	Goh Chin Liong	590829-10-6169	4,906,701	0.64
20	SBB Nominees (Tempatan) Sdn Bhd *(A/c For Kumpulan Wang Persaraan Diperbadankan)*	22016H	4,670,700	0.60
21	EB Nominees (Tempatan) Sdn Bhd *(A/c For Ara Holdings Sdn Bhd)*	43785M	4,014,320	0.52
22	HSBC Nominees (Asing) Sdn Bhd *(BNY Brussels For Greatlink Asean Growth Fund)*	4381U	3,954,000	0.51
23	Amanah Raya Berhad *(A/c For Kumpulan Wang Bersama)*	344986V	3,880,000	0.50
24	Jerneh Insurance Bhd	9827A	3,815,504	0.49
25	SBB Nominees (Tempatan) Sdn Bhd *(A/c For Pertubuhan Keselamatan Sosial)*	22016H	3,512,200	0.45
26	Citigroup Nominees (Tempatan) Sdn Bhd *(A/c For ING Insurance Berhad)*	267011M	3,448,393	0.45
27	Cartaban Nominees (Tempatan) Sdn Bhd *(Exempt AN For MIDF Amanah Asset Nominees Tempatan Sdn Bhd Account 1)*	263368K	3,418,800	0.44
28	Universal Trustee (Malaysia) Berhad *(CIMB-Principal Equity Fund)*	17540D	3,153,856	0.41
29	RHB Capital Nominees (Tempatan) Sdn Bhd *(A/c For Chua Siow Leng)*	24915H	3,090,110	0.40
30	Citigroup Nominees (Tempatan) Sdn Bhd *(Exempt AN For Prudential Fund Management Bhd)*	267011M	2,837,754	0.37
			522,164,119	67.61

Analysis of Shareholdings

As at 30 April 2009 (cont'd)

(3) Substantial Shareholders as at 30 April 2009

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

	Direct Interest		Deemed Interest	
Name	**No. of Shares**	**%**	**No. of Shares**	**%**
Taing Kim Hwa	2,800,245	0.36	161,633,794[1]	20.94
Wong Sewe Wing	827,289	0.11	161,633,794[1]	20.94
			38,604[3]	0.005
WCT Capital Sdn Bhd	161,633,794	20.94	–	–
Cash Carat Sdn Bhd	–	–	161,633,794[2]	20.94
Employees Provident Fund Board	188,249,741	24.39	–	–

Notes to interest in shares:-

1 *Deemed interested by virtue of his 50% interest in Cash Carat Sdn Bhd.*
2 *Deemed interested by virtue of its 100% interest in WCT Capital Sdn Bhd.*
3 *Deemed interested through his child's direct interest in the Company.*

(B) IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

Outstanding ICPS	:	55,115,541 ICPS of RM0.10 each
Issue Price	:	RM0.30 each
Conversion Price	:	RM0.50 per ordinary share
Conversion Ratio	:	Five (5) units of ICPS are convertible into one (1) new Ordinary Share
Coupon Rate	:	13.5% per annum
Maturity Date	:	6 August 2012
Voting Rights	:	One (1) vote per ICPS of RM0.10 each

(1) Analysis by size of ICPS Holdings as at 30 April 2009

Size of ICPS Holdings	**No. of ICPS Holders**	**%**	**No. of Outstanding ICPS**	**%**
Less than 100	45	4.15	1,623	0.00
100 -1,000	65	6.00	37,865	0.07
1,001 -10,000	604	55.72	3,041,263	5.52
10,001 and 100,000	331	30.54	8,762,726	15.90
100,001 to less than 5% of outstanding ICPS	37	3.41	21,463,798	38.94
5% and above of outstanding ICPS	2	0.18	21,808,266	39.57
Total	**1,084**	**100.00**	**55,115,541**	**100.00**

Analysis of Shareholdings

As at 30 April 2009 (cont'd)

(2) Thirty Largest ICPS Holders as at 30 April 2009

No	Names	NRIC/Reg. No.	No. of ICPS	%
1	HSBC Nominees (Asing) Sdn Bhd *(Exempt AN For The HongKong And Shanghai Banking Corporation Limited)*	4381U	15,608,266	28.32
2	Valuecap Sdn Bhd	595989V	6,200,000	11.25
3	Mayban Nominees (Tempatan) Sdn Bhd *(A/c For Lim Weng Jong)*	258939-H	2,540,200	4.61
4	TM Asia Life Malaysia Bhd *(As Beneficial Owner PF)*	457556X	2,473,177	4.49
5	Universal Trustee (Malaysia) Berhad *(A/c For CIMB-Principal Small Cap Fund 2)*	17540D	1,466,666	2.66
6	HSBC Nominees (Asing) Sdn Bhd *(HSBC-FS For Fullerton Global Equities Fund Fullerton Funds)*	4381U	1,339,007	2.43
7	Cartaban Nominees (Asing) Sdn Bhd *(State Street Australia Fund SGAD For Fullerton Private Limited)*	263367W	1,338,513	2.43
8	Cartaban Nominees (Asing) Sdn Bhd *(State Street Australia Fund Q3VD For Fullerton Private Limited)*	263367W	1,179,144	2.14
9	Universal Trustee (Malaysia) Berhad *(A/c For CIMB-Principal Equity Fund)*	17540D	1,038,888	1.88
10	HSBC Nominees (Asing) Sdn Bhd *(Exempt AN For Morgan Stanley & Co Incorporated)*	4381U	977,777	1.77
11	HSBC Nominees (Asing) Sdn Bhd *(Exempt AN For The HongKong And Shanghai Banking Corporation Limited)*	4381U	917,110	1.66
12	Mayban Nominees (Tempatan) Sdn Bhd *(A/c For Etiqa Insurance Berhad – General Fund)*	258939H	806,667	1.46
13	Amanah Raya Nominees (Tempatan) Sdn Bhd *(A/c For ASM Premier Fund)*	434217U	616,667	1.12
14	Siu Yoke Loon	440605-10-5307	493,300	0.90
15	Oriental Capital Assurance Berhad	30686K	491,133	0.89
16	HSBC Nominees (Tempatan) Sdn Bhd *(HSBC Malaysia Trustee Berhad For Amanah Saham Sarawak)*	258854D	490,000	0.89
17	Khoo Loon Imm	480814-10-5238	446,667	0.81
18	HLG Nominee (Tempatan) Sdn Bhd *(A/c For Chua Eng Kiat)*	250650T	435,000	0.79
19	Amsec Nominees (Tempatan) Sdn Bhd *(Assar Asset Management Sdn Bhd For Lembaga Kumpulan Wang Kawasan Konsesi Hutan)*	102918T	400,000	0.73
20	Mayban Nominees (Tampatan) Sdn Bhd *(A/c For Etiqa Insurance Berhad-Life Non Par Fund)*	258939H	315,310	0.57
21	Lim Seng Gwee	390912-71-5145	311,110	0.56
22	Ng Kim Neo	650121-04-5008	304,888	0.55

Analysis of Shareholdings

As at 30 April 2009 (cont'd)

(2) Thirty Largest ICPS Holders as at 30 April 2009

No	Names	NRIC/Reg. No.	No. of ICPS	%
23	SBB Nominees (Tempatan) Sdn Bhd *(A/c For Lembaga Tabung Angkatan Tentera)*	22016H	278,665	0.51
24	Tan Lai Kim	300822-08-5117	262,800	0.48
25	Quarry Lane Sdn Bhd	423901V	222,222	0.40
26	Ava Tay Gwak Mui	641018-06-5428	220,000	0.40
27	PRB Nominees (Tempatan) Sdn Bhd *(A/c For Rubber Industry SmallHolders Development Authority)*	403264P	206,222	0.37
28	Amsec Nominees (Tempatan) Sdn Bhd *(Assar Asset Management Sdn Bhd For Bintulu Development Authority -FM-Assar-BDA)*	102918T	200,000	0.36
29	Chong Art Boon	700216-10-5299	200,000	0.36
30	Woon Tai Liew	621106-04-5699	173,000	0.31
			41,952,399	76.10

(C) WARRANTS 2008/2013 ("WARRANTS")

Outstanding Warrants	:	139,378,777 Warrants
Issue Price	:	RM0.25 each
Exercise Price	:	RM3.00 per Ordinary Share
Exercise Ratio	:	One (1) Warrant is exercisable into one (1) new Ordinary Share
Expiry Date	:	22 April 2013
Voting Rights	:	One (1) vote for each Warrant held

(1) Analysis by size of Warrants Holdings as at 30 April 2009

Size of Warrants	No. of Warrants	%	No. of Outstanding Warrants	%
Less than 100	13	0.54	581	0.00
100 -1,000	668	27.67	581,664	0.42
1,001 -10,000	959	39.73	4,690,166	3.36
10,001 and 100,000	630	26.10	23,692,580	17.00
100,001 to less than 5% of outstanding Warrants	141	5.84	54,691,487	39.24
5% and above of outstanding Warrants	3	0.12	55,722,299	39.98
Total	**2,414**	**100.00**	**139,378,777**	**100.00**

Analysis of Shareholdings

As at 30 April 2009 (cont'd)

(2) Thirty Largest Warrants Holders as at 30 April 2009

No	Names	NRIC/Reg. No.	No. of Warrants	%
1	WCT Capital Sdn Bhd	219912A	33,238,999	23.85
2	Citigroup Nominees (Tempatan) Sdn Bhd *(CMS Asset Management Sdn Bhd For Employees Provident Fund)*	267011M	12,483,300	8.96
3	Amsec Nominees (Tempatan) Sdn Bhd *(CMS Trust Management Berhad For Tenaga Nasional Berhad Retirement Benefit Trust Fund)*	102918T	10,000,000	7.17
4	HSBC Nominees (Asing) Sdn Bhd *(BBH And Co Boston For GMO Emerging Markets Fund)*	4381U	3,740,700	2.68
5	AllianceGroup Nominees (Tempatan) Sdn Bhd *(Pheim Asset Management Sdn Bhd For Employees Provident Fund)*	42234H	2,623,833	1.88
6	Amanah Raya Nominees (Tempatan) Sdn Bhd *(A/c For Amanah Saham Wawasan 2020)*	434217U	1,831,151	1.31
7	Employees Provident Fund Board	EPFACT1991	1,794,055	1.29
8	HSBC Nominees (Asing) Sdn Bhd *(BBH And Co Boston For GMO Emerging Illiquid Fund, L.P)*	4381U	1,719,800	1.23
9	Ara Resources Sdn Bhd	522488U	1,673,500	1.20
10	Loh Siew Choh	561202-10-6111	1,570,400	1.13
11	Taing Kim Hwa	530604-10-5005	1,507,863	1.08
12	HSBC Nominees (Asing) Sdn Bhd *(Exempt AN For JPMorgan Chase Bank, National Association-U.K.)*	4381U	1,185,200	0.85
13	Dushyanthi Perera	N1733831	1,000,000	0.72
14	Yu Leh Kiew	680416-13-5892	950,000	0.68
15	Wong Siew Ngik	651010-13-6227	900,000	0.65
16	OSK Nominees (Tempatan) Sdn Bhd *(A/c For Chan Lup Yan)*	6023A	847,000	0.61
17	Goh Chin Liong	590829-10-6169	803,000	0.58
18	EB Nominees (Tempatan) Sdn Bhd *(A/c For Ara Holdings Sdn Bhd)*	43785M	784,000	0.56
19	Ong Siok Liang	500926-02-5094	750,000	0.54
20	Lim King Huak	451108-10-5131	747,700	0.54
21	Amsec Nominees (Tempatan) Sdn Bhd *(AmTrustee Berhad For CIMB Islamic Dali Equity Growth Fund)*	102918T	738,298	0.53
22	Jerneh Insurance Bhd	9827A	595,300	0.43
23	Mayban Securities Nominees (Tempatan) Sdn Bhd *(A/c For Tew Chin Yan)*	284597P	550,000	0.39
24	RHB Capital Nominees (Tempatan) Sdn Bhd *(A/c For Chua Siow Leng)*	24915H	536,400	0.38
25	RHB Capital Nominees (Tempatan) Sdn Bhd *(A/c For Lim See Hee)*	24915H	528,800	0.38
26	SWL Property Sdn Bhd	779272H	527,000	0.38
27	Choe Kai Keong	510413-08-5701	526,400	0.38
28	Mayban Nominees (Tempatan) Sdn Bhd *(A/c For Kek Lian Kiat)*	258939H	500,000	0.36
29	Ho Kong Lan	560419-10-5676	500,000	0.36
30	Chin Nyuk Chin	570901-08-5596	500,000	0.36
			85,652,699	61.46

Analysis of Shareholdings

As at 30 April 2009 (cont'd)

(D) STATEMENT OF DIRECTORS' INTERESTS IN THE SECURITIES OF THE COMPANY AS AT 30 APRIL 2009

(1) Directors' Ordinary Shareholdings

(In accordance with the Register maintained under Section 134 of the Companies Act, 1965)

Director	Direct Interest No. of Shares	%	Deemed Interest No. of Shares	%
Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid	1,069,958	0.14	30,000[2]	0.004
Taing Kim Hwa	2,800,245	0.36	161,633,794[1]	20.94
Goh Chin Liong	4,906,701	0.64	–	–
Wong Sewe Wing	827,289	0.11	161,633,794[1]	20.94
			38,604[2]	0.005
Choe Kai Keong	2,232,875	0.29	–	–
Liang Kai Chong	2,209,730	0.29	203,498[2]	0.03
Loh Siew Choh	1,451,586	0.19	284,400[2]	0.04
Cheah Hon Kuen	604,206	0.08	–	–
Choo Tak Woh	176,780	0.02	–	–

Note to interest in shares:-

1 *Deemed interested by virtue of his 50% direct interest in Cash Carat Sdn Bhd, the holding company of WCT Capital Sdn Bhd which in turn is a substantial shareholder in WCT Berhad.*

2 *Deemed interested through his spouse's or child's direct interest in the Company.*

(2) Directors' ICPS Holdings

(In accordance with the Register maintained under Section 134 of the Companies Act, 1965)

Director	Direct Interest No. of ICPS	%	Deemed Interest No. of ICPS	%
Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid	22	@	–	–
Wong Sewe Wing	260	@	–	–
Choe Kai Keong	500	@	–	–

@ *Negligible*

Analysis of Shareholdings

As at 30 April 2009 (cont'd)

(3) Directors' Warrants Holdings

(In accordance with the Register maintained under Section 134 of the Companies Act, 1965)

Director	Direct Interest No. of Warrants	%	Deemed Interest No. of Warrants	%
Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid	239,500	0.17	–	–
Taing Kim Hwa	1,507,863	1.08	33,238,999[1]	23.85
Goh Chin Liong	803,000	0.58	–	–
Wong Sewe Wing	–	–	33,238,999[1]	23.85
Choe Kai Keong	526,400	0.38	–	–
Liang Kai Chong	698,893	0.50	40,071[2]	0.03
Loh Siew Choh	1,740,500	1.25	61,200[2]	0.04
Cheah Hon Kuen	54,000	0.04	–	–
Choo Tak Woh	37,000	0.03	–	–

Note to interest in shares:-

1 Deemed interested by virtue of his 50% direct interest in Cash Carat Sdn Bhd, the holding company of WCT Capital Sdn Bhd.

2 Deemed interested through his spouse.

(4) Directors' Interest in Options over Ordinary Shares

(In accordance with the Register of Options of Employees' Share Option Scheme maintained pursuant to the Companies Act, 1965)

Director	No. of Options Outstanding
Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid	254,332
Taing Kim Hwa	628,000
Goh Chin Liong	571,332
Wong Sewe Wing	342,000
Choe Kai Keong	203,332
Liang Kai Chong	930,664
Loh Siew Choh	1,220,666
Cheah Hon Kuen	126,666
Choo Tak Woh	156,332

Notice of Twenty-Eighth Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Eighth Annual General Meeting of WCT Berhad (Formerly known as WCT Engineering Berhad) will be held at Ground Floor, No. 12, Jalan Majistret U1/26, Seksyen U1, Lot 44, Hicom-Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia on Thursday, 18 June 2009 at 10.30 a.m. for the following purposes:-

AGENDA

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2008 and the Reports of the Directors and Auditors thereon. Resolution 1

2. To declare a final dividend of 4.5 sen per ordinary share of RM0.50 each less Malaysian Income Tax of 25% for the year ended 31 December 2008. Resolution 2

3. 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 3

4. 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 4

5. To re-elect Mr. Choo Tak Woh who retires as a Director of the Company pursuant to Article 65 of the Company's Articles of Association. Resolution 5

6. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. Resolution 6

7. As Special Business:-

   To consider and, if thought fit, pass the following Ordinary Resolutions:-

   (a) Proposed Shareholders' Mandate for Recurrent Related Party Transactions

   "THAT, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and its subsidiaries ("WCT Group") to enter into recurrent related party transactions of a revenue or trading nature with related parties as specified in Section 2.3 of the Circular to Shareholders dated 25 May 2009 which are necessary for the day-to-day operations of WCT Group in the ordinary course of business on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such approval shall continue to be in force until:-

   (i) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless renewed by a resolution passed at that meeting;

   (ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

   (iii) revoked or varied by resolution passed by the shareholders at a general meeting;

   whichever is the earlier;

   AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this resolution." Resolution 7

(b) **Proposed Renewal of Authority for the Company to Purchase Its Own Shares**

"THAT, subject to the Companies Act, 1965 (the "Act"), rules, regulations and orders made pursuant to the Act (as may be amended, modified or re-enacted from time to time), the provisions of the Company's Memorandum and Articles of Association and the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authority, the Company be and are hereby authorised to purchase such amount of ordinary shares of RM0.50 each in the Company's issued and paid-up share capital as may be determined by the Directors of the Company from time to time through Bursa Securities subject further to the following:-

(i) the number of ordinary shares of RM0.50 each in the Company ("Shares") which may be purchased or held by the Company shall not exceed 10 percent of the issued and paid-up share capital for the time being of the Company, subject to a restriction that the issued and paid-up share capital of the Company does not fall below the applicable minimum share capital requirements of the Listing Requirements of Bursa Securities;

(ii) the maximum fund to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the total retained earnings and share premium account of the Company. The audited retained earnings and share premium account of the Company as at 31 December 2008 amounted to RM110,110,085/- and RM367,916,367/- respectively;

(iii) the authority conferred by this resolution will commence immediately upon the passing of this ordinary resolution and will continue to be in force until:-

(a) the conclusion of the next AGM of the Company at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;

(b) the expiration of the period within which the next AGM is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by the shareholders in general meeting;

whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities; and

(iv) upon completion of each purchase of Shares by the Company, the Directors of the Company be and are hereby authorised to cancel the Shares so purchased or to retain the Shares so purchased as treasury shares which may be distributed as dividend to shareholders or resold on Bursa Securities or subsequently cancelled or to retain part of the Shares so purchased as treasury shares and cancel the remainder and/ or to deal with the Shares in any other manner as may be allowed or prescribed by the Act or any other rules, regulations and/or orders made pursuant to the Act and the Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force;

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to effect the purchase(s) of Shares with full powers to assent to any conditions, modifications, resolutions, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company." Resolution 8

Notice of Twenty-Eighth Annual General Meeting (cont'd)

NOTICE OF DIVIDEND PAYMENT AND ENTITLEMENT DATE

NOTICE IS ALSO HEREBY GIVEN that a final dividend of 4.5 sen per share less Malaysian Income Tax of 25% for the financial year ended 31 December 2008, if approved at the forthcoming Annual General Meeting, will be payable on 8 July 2009.

The entitlement date shall be fixed on 23 June 2009 and a Depositor shall qualify for entitlement only in respect of:

(a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 23 June 2009 in respect of ordinary transfers; and

(b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of The Board

WONG POOI CHEONG
Secretary

Selangor Darul Ehsan
25 May 2009

NOTES:

A. APPOINTMENT OF PROXY

1. A member entitled to attend and vote at the meeting may appoint one (1) proxy to attend and vote on his behalf. A proxy may but need not be a member of the Company and if not a member, he need not be a qualified legal practitioner, an approved company auditor or a person approved by the Registrar.

2. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, may appoint one (1) proxy in respect of each securities account.

3. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointor or his attorney duly authorised in writing, and in the case of a corporation, the instrument appointing a proxy must be under seal or under the hand of a duly authorised officer or attorney.

4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at No. 12, Jalan Majistret U1/26, Seksyen U1, Lot 44, Hicom-Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time for holding the meeting or any adjourned meeting thereof.

B. NOTES ON RESOLUTIONS 3, 4 and 5

The particulars of the retiring Directors who are standing for re-election are set out in the relevant pages of the Annual Report as follows:-

	Name of Director	Directors' Profile	Directors' Shareholdings
1.	Wong Sewe Wing	Page 13	Page177
2.	Cheah Hon Kuen	Page 15	Page 177
3.	Choo Tak Woh	Page 15	Page 177

Notice of Twenty-Eighth Annual General Meeting (cont'd)

C. EXPLANATORY NOTES ON SPECIAL BUSINESS

(1) **Resolution 7** is in relation to the Proposed Shareholders' Mandate for Recurrent Related Party Transactions and if passed, will allow the Company and its subsidiaries to enter into recurrent related party transactions with related parties in the ordinary course of business based on commercial terms which are not more favourable to the related parties than those generally available to the public which are necessary for the Group's day-to-day operations.

(2) **Resolution 8** is in relation to the Proposed Share Buy-Back and if passed, will give the Directors of the Company the authority to purchase through Bursa Malaysia Securities Berhad up to 10% of the issued and paid-up share capital of the Company by utilising the funds allocated out of the retained earnings and/or the share premium account of the Company. This authority will be effective upon the passing of this Ordinary Resolution and, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

Further information on the Proposed Shareholders' Mandates for Recurrent Related Party Transactions is set out in the Circular to Shareholders dated 25 May 2009, despatched together with the Company's Annual Report 2008.

WCT Berhad (66538-K)
(Formerly known as WCT Engineering Berhad)
(Incorporated in Malaysia)

FORM OF PROXY

I/We ....
(Name in full)

I.C. or Company No. .... CDS Account No. ....
(I.C. or Company No.)

of ....
(Full address)

being a member of WCT Berhad (Formerly known as WCT Engineering Berhad), hereby appoint ....

.... I.C. No. ....
(Name in full)

of ....
(Full address)

or failing him, the Chairman of the meeting as my/our proxy to attend and vote for me/us on my/our behalf at the Twenty-Eighth Annual General Meeting of the Company to be held at the Conference Room, Ground Floor, No. 12, Jalan Majistret U1/26, Seksyen U1, Lot 44, Hicom-Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia on Thursday, 18 June 2009 at 10.30 a.m. or at any adjournment thereof.

This proxy is to vote on the resolutions set out in the Notice of Annual General Meeting as indicated with an "X" in the appropriate spaces provided. If this form of proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain from voting at his/her discretion.

	ORDINARY RESOLUTIONS	**FOR**	**AGAINST**
1	Adoption of Audited Financial Statements and Reports of the Directors and Auditors for the year ended 31 December 2008.		
2	Declaration of a Final Dividend of 4.5 sen per ordinary share less Malaysian Income Tax of 25%.		
3	Re-election of Mr. Wong Sewe Wing as a Director of the Company.		
4	Re-election of Mr. Cheah Hon Kuen as a Director of the Company.		
5	Re-election of Mr. Choo Tak Woh as a Director of the Company.		
6	Re-appointment of Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration.		
7	Proposed Shareholders' Mandate for Recurrent Related Party Transactions.		
8	Proposed Renewal of Authority for the Company to Purchase Its Own Shares.		

Dated this ____________________ day of ______________________________ 2009

No. of ordinary shares held

....
Signature(s)/Common Seal of member(s)

Notes:-

1. A member entitled to attend and vote at the meeting may appoint one (1) proxy to attend and vote on his behalf. A proxy may but need not be a member of the Company and if not a member, he need not be a qualified legal practitioner, an approved company auditor or a person approved by the Registrar.
2. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, may appoint one (1) proxy in respect of each securities account.
3. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointor or his attorney duly authorised in writing, and in the case of a corporation, the instrument appointing a proxy must be under seal or under the hand of a duly authorised officer or attorney.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at No. 12, Jalan Majistret U1/26, Seksyen U1, Lot 44, Hicom-Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time for holding the meeting or any adjourned meeting thereof.

Please fold here

Postage

THE COMPANY SECRETARY

WCT Berhad

(Formerly known as WCT Engineering Berhad)

No. 12, Jalan Majistret U1/26, Seksyen U1,

Lot 44, Hicom-Glenmarie Industrial Park,

40150 Shah Alam

Selangor Darul Ehsan

Malaysia

Please fold here

Directory

WCT Berhad (66538-K)
(Formerly known as WCT Engineering Berhad)

HEAD OFFICE
No. 12, Jalan Majistret U1/26, Seksyen U1, Hicom-Glenmarie Industrial Park,
40150 Shah Alam, Selangor Darul Ehsan, Malaysia
Tel: +603 7805 2266 Fax: +603 7804 9877
Email: enquiries@wct.com.my
Website: www.wct.com.my

DIVISIONAL OFFICES

CONSTRUCTION

WCT Berhad (66538-K)
(Formerly known as WCT Engineering Berhad)
No. 12, Jalan Majistret U1/26, Seksyen U1,
Hicom-Glenmarie Industrial Park,
40150 Shah Alam, Selangor Darul Ehsan, Malaysia
Tel: +603 7805 2266 Fax: +603 7804 9877

PROPERTY

WCT Land Sdn Bhd (324888-H)
No. 63, Lorong Batu Nilam 1A,
Bandar Bukit Tinggi, 41200 Klang,
Selangor Darul Ehsan, Malaysia
Tel: +603 3324 3255 Fax: +603 3324 3257

REGIONAL OFFICES

MIDDLE EAST

Office Address:
Villa #4, Street 12, Sector 33, Zone 133
Khalifa City A, Abu Dhabi, U.A.E.
Mailing Address:
PO Box 112019, Abu Dhabi, U.A.E.
Tel: +(9712) 5561 574 Fax: +(9712) 5565 014

SOUTH EAST ASIA

B2-17, Ha Huy Tap, Nam Thien 2
Phu My Hung, District 7
Ho Chi Minh City,
Vietnam
Tel: +(848) 5412 2474/75 Fax: +(848) 5412 2473

REGISTERED OFFICE

No. 12, Jalan Majistret U1/26, Seksyen U1,
Lot 44, Hicom-Glenmarie Industrial Park,
40150 Shah Alam, Selangor Darul Ehsan, Malaysia
Tel: +603 7805 2266 Fax: +603 7805 3548

Life & Style

Celebrated daily at d'Banyan

citrifolia

2-Storey Superlink Villa

405 sq.m. and 428 sq.m.

aurea

2½-Storey Semi Dee Villa

524 sq.m. and 521 sq.m.

petrusa

3-Storey Villa

626 sq.m.

A Prestigious Development by:

WCT

d'Banyan RESIDENCY @ SUTERA KOTA KINABALU, SABAH

For further enquiries please contact **+6 088 312 333** or visit **www.wct.com.my**