WCT Berhad (66538-K)

ANNUAL REPORT 2011

BUILDING VALUES

*WCT means **W**inning through*
***C**ommitment and **T**eamwork*
built upon the foundation
*of **Humility** and **Respect***

WCT Core Values

- **WINNING**
  Exceeding our best
- **COMMITMENT**
  Passionate in all we do
- **TEAMWORK**
  All for one, one for all
- **HUMILITY and RESPECT**
  Our way of life

vision

We inspire and strive for excellence in areas of our expertise

mission

- We deliver quality products and services beyond customer expectations
- We develop, train and reward passionate and committed employees
- We leverage on technology and innovation for greater efficiency and productivity
- We deliver sustainable return to our shareholders
- We contribute to the betterment of the community
- We actively participate in the nation's social and economic objectives

contents

AWARDS & ACHIEVEMENTS

INDUSTRY AWARDS

Awarded by the Construction Industry Development Board of Malaysia (CIDB)

1. **International Achievement Award - 2010**
   Yas Marina Circuit, Abu Dhabi, U.A.E.
   Malaysian Construction Industry Excellence Awards

2. **Contractor of the Year Award - 2010**
   Kota Kinabalu International Airport, Sabah
   Malaysian Construction Industry Excellence Awards

3. **International Achievement Award - 2004**
   Bahrain International Circuit
   Malaysian Construction Industry Excellence Awards

4. **Builder of the Year - 2002**
   Malaysian Construction Industry Excellence Awards

5. **Special Project Award - 2001**
   Sepang F1 Circuit
   Malaysian Construction Industry Excellence Awards

Awarded by the Ministry of International Trade & Industry, Malaysia (MITI)

6. **Industry Excellence Awards - 2004 & 2008**
   Export Excellence - Construction Services

Awarded by the Road Engineering Association of Malaysia

7. **Road Engineering Excellence Award - 2007**
   Principal Contractor of Guthrie Corridor Expressway

AWARDS & ACHIEVEMENTS
cont'd

CORPORATE AWARDS


1


2

1. **The BrandLaureate Award - 2009**
   Winner of the Best Brands for the Engineering & Construction category (2007/2008)
2. **SI-KPMG Shareholder Value Awards - 2001**
   Winner for the Construction, Infrastructure and Property Category
   Awarded by Smart Investor-KPMG

CLIENT'S RECOGNITION

Putrajaya Holdings Sdn Bhd

Certificate of Award for Best Environmental Management System 2007
Design, Construction and Completion of the Office Building on Plot 3C4, Precinct 3, Putrajaya, Malaysia

Certificate of Award for Best Safety & Health Management System 2007
Design, Construction and Completion of the Office Building on Plot 3C4, Precinct 3, Putrajaya, Malaysia

ISO & OHSAS CERTIFICATIONS

QUALITY MANAGEMENT SYSTEM CERTIFICATIONS

ISO 9001 : 2008
Quality Management System for WCT Berhad
Certification No. AR 2274

ISO 9001 : 2008
Quality Management System for WCT Land Sdn Bhd
Certification No. AR 3353

ISO 9001 : 2008
Quality Management System for WCT Machinery Sdn Bhd
Certification No. AR 4416

OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM 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

ENVIRONMENTAL MANAGEMENT SYSTEMS

ISO 14001 : 2004
Environmental Management Systems for WCT Berhad
Certification No. ER 0685

CORE BUSINESSES AND OPERATING UNITS

CONSTRUCTION

PROPERTY DEVELOPMENT

MALAYSIA

WCT Construction Sdn Bhd
Intraxis Engineering Sdn Bhd
WCT Machinery Sdn Bhd
WCT Products Sdn Bhd

OVERSEAS

WCT Qatar Branch
WCT Abu Dhabi Branch
WCT Dubai Branch
Cebarco-WCT W.L.L (Bahrain)
WCT Engineering Vietnam Co. Ltd

TOWNSHIP

Labur Bina Sdn Bhd
Gemilang Waras Sdn Bhd
Gabungan Efektif Sdn Bhd

COMMERCIAL

Jelas Puri Sdn Bhd
Platinum Meadow Sdn Bhd
Urban Courtyard Sdn Bhd
BSC-WCT Co. Ltd (Vietnam)
WCT-DPN Co. Ltd (Vietnam)

LIFESTYLE

One Medini Sdn Bhd
Camellia Tropicana Sdn Bhd
Atlanta Villa Sdn Bhd

ASSETS

Concession

Segi Astana Sdn Bhd

Mapex Infrastructure Pvt Ltd (India)

Emas Expressway Pvt Ltd (India)

Swarna Tollway Pvt Ltd (India)

Retail

BBT Mall Sdn Bhd

Hospitality

BBT Hotel Sdn Bhd

Others

WCT Properties Sdn Bhd

MANAGEMENT

WCT Property Management Sdn Bhd

WCT Hotel & Facilities Management Sdn Bhd

Labur Bina Management Sdn Bhd

CORPORATE INFORMATION

BOARD OF DIRECTORS

Independent Non-Executive Chairman

Dato' Capt. Ahmad Sufian
@ Qurnain bin Abdul Rashid

Managing Director

Taing Kim Hwa

Deputy Managing Director

Goh Chin Liong

Executive Directors

Choe Kai Keong
Liang Kai Chong

Independent Non-Executive Directors

Cheah Hon Kuen
Choo Tak Woh
Andrew Lim Cheong Seng

AUDIT COMMITTEE

Cheah Hon Kuen *(Chairman)*
Dato' Capt. Ahmad Sufian
@ Qurnain bin Abdul Rashid
Choo Tak Woh
Andrew Lim Cheong Seng

NOMINATION & REMUNERATION COMMITTEE

Dato' Capt. Ahmad Sufian
@ Qurnain bin Abdul Rashid
(Chairman)
Cheah Hon Kuen
Choo Tak Woh
Andrew Lim Cheong Seng

OPTIONS COMMITTEE

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

COMPANY SECRETARIES

Wong Pooi Cheong *(MAICSA 0782043)*
Loh Chee Mun *(MAICSA 7025198)*
Chong Kian Fah *(MIA 17238)*

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

DIVISIONAL OFFICES

Construction

WCT Construction Sdn Bhd
(140381-U)
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

Al Mana Business Tower, 8th Floor
Office 8B, Suhaim Bin Hamad Street
P. O. Box 200238, Doha
State of Qatar
Tel : +(974) 4427 9780
Fax : +(974) 4427 9781

China

Room 1816, Anlian Plaza
No. 3 Building, No. 38 Court
Dong San Huan North Road
Chaoyang District
Beijing 100020, China
Tel : +86 10 8587 0762/0752
Fax : +86 10 8587 0772

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

SHARE REGISTRAR

Symphony Share Registrars Sdn. Bhd.
Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor, Malaysia
Tel : +603-7841 8000
Fax : +603-7841 8008

AUDITORS

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

PRINCIPAL BANKERS

RHB Bank Berhad
AmBank (M) Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
Standard Chartered Bank Malaysia Berhad
HSBC Bank Malaysia Berhad

SOLICITORS

Adnan Sundra & Low
CK Oon & Co.
Kadir, Andri & Partners
Yip & Co.
Jeyaratnam & Chong

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market
Stock Name : WCT
Stock Code : 9679

CORPORATE PROFILE

Established on 14 January 1981 as WCT Earthworks & Building Contractors Sdn Bhd, the Company became a public company on 1 April 1994. WCT made its debut on the Second Board of Bursa Malaysia Securities Berhad ("Bursa") on 16 February 1995 and subsequently was elevated to the Main Board on 7 January 1999. WCT is currently listed on Bursa's Main Market and is one of the FBM100 Component Stocks. The Company assumed its present name, WCT Berhad, effective 5 June 2008 to reflect the diverse business within the WCT Group of Companies.

Over the years, with continuous hard work, perseverance, and firm belief in management productivity and efficiency, WCT has elevated its standing and solid reputation in the construction and property 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 and the recent economic turmoil in 2008. These periods have not only strengthened our position in the market we operate in but also propelled us into a truly integrated construction and property entity offering our products and services in project development & management, construction design, value engineering, township planning, property development and infrastructure & concession management.

Over a period of 30 years, WCT has completed more than 300 construction projects valued at RM19.8 billion with global presence in Qatar, U.A.E., Oman, Bahrain, India, Vietnam, China and Malaysia. Our construction expertise include:-

- Earthworks & civil works;
- F1 racing circuit;
- International airport;
- Hydroelectric & water dam;
- Expressway & highway;
- Public infrastructure such as hospital, transportation hub, sports facility and university campus; and
- High-rise residential, office and iconic commercial buildings.

Since 1997, WCT has developed in excess of 13,000 units of residential and commercial properties amounting to gross development value of RM3.5 billion. Our signature property projects include the 1,300 acres Bukit Tinggi Township, touted as one of Malaysia's most successful townships in the last decade. Other property projects include the 1 Medini High-rise Residences in Iskandar Malaysia; d'Banyan Luxury Homes and The Paradigm Mix-commercial development. In investment and management, WCT owns and manages development Première Hotel, shopping malls, premium offices, transport hub, car parks, and has equity ownership in highway concessions in India.

Our 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 and 2010 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. We were also the award winner for the Frost & Sullivan's Building Contracting Company of the Year in 2011. In 2010, WCT was bestowed the Contractor of the Year at the Malaysian Construction Industry Excellence Award.

A highly acclaimed organisation with the drive to achieve greater heights, WCT's Vision is to inspire and strive for excellence in the fields of Engineering & Construction, Property Development and Investment & Management. It is the objective of WCT to constantly provide excellent quality products and valuable services to our customers, and at the same time, create a better quality of life for the society and community we operate in. As a responsible corporate citizen, we are invariably committed to good governance and upholding shareholders' value.

CORPORATE DIARY 2011/2012

January 2011

- WCT celebrated its 30th Anniversary on 7 January 2011 at Première Hotel, Klang, Selangor, Malaysia.

February 2011

- Sales launch for the following houses in Bandar Parklands (BBT3), Klang, Selangor, Malaysia:-
    - "Folia" superlink houses, Phase C2; and
    - "Gardia" cluster homes, Phase C6.

March 2011

- Sales launch of "Luxuria" bungalows, Phase C9, Bandar Parklands (BBT3), Klang, Selangor, Malaysia.
- Completed the Offer for Sale of WCT Warrants with the listing of the WCT Warrants on the Main Market of Bursa Malaysia Securities Berhad on 18 March 2011. The Offer for Sale was oversubscribed by 89.69%.

CORPORATE DIARY 2011/2012
cont'd

May 2011

- WCT held its 30th Annual General Meeting on 18 May 2011 at Première Hotel.
- Established WCT's Group Culture Committee in ensuring the sustainability of WCT's Core Values.
- Sales launch of "Fernria" double-storey semi-detached houses, Phase C8, Bandar Parklands (BBT3), Klang, Selangor, Malaysia.

July 2011

- Awarded a Contract worth about RM115 million by Vale Malaysia Manufacturing Sdn Bhd for the earthwork, drainage, roads & pavement, slope protection works and temporary sedimentation ponds at VMM's Project – Phase 1A (Stage 1), Teluk Rubiah, Perak, Malaysia.

September 2011

- Signed the Concession Agreement and Shareholders Agreement with Malaysia Airports Holdings Berhad for the privatisation of the construction, development and financing of the Integrated Complex at KLIA2 on a build-operate-transfer model to be undertaken by the 70%-owned Concession Company, Segi Astana Sdn Bhd.
- Incorporated WCT Management (Beijing) Limited, a wholly foreign owned enterprise in Beijing, China. Its main business activities are property market research and feasibility study.
- Reviewed WCT's Vision & Mission and unveiled WCT's Core Values.
- Sales launch of "Cypres" bungalows, Phase C7, Bandar Parklands (BBT3), Klang, Selangor, Malaysia.

CORPORATE DIARY 2011/2012
cont'd


October 2011

- Première Hotel celebrated its first anniversary with an appreciation cocktail for its corporate supporters, business partners and media on 10 October 2011 at ICHI Poolbar. The celebration continued on 13 October 2011 when the hotel's management and staff turned out in full force for its Associates' Party.
- Sales launch of "Clivia" double-storey super-link houses, Phase C1, Bandar Parklands (BBT3), Klang, Selangor, Malaysia.

November 2011

- Sales launch of "Ixora" double-storey cluster houses, Phase C5, Bandar Parklands (BBT3), Klang, Selangor, Malaysia.



December 2011

- Awarded an Investment Certificate by the People's Committee of Ho Chi Minh City to undertake a residential and commercial mixed development on a piece of land measuring approximately 46,577 meter square ("the Project") located at the New Urban Development Area of Saigon South, Binh Hung Commune, Binh Chanh District, Ho Chi Minh City, Vietnam. The Project will be undertaken by the 70%-owned joint venture company, WCT-DPN Company Limited.
- ICHI Poolbar, Klang's latest casual Japanese bar-restaurant for relaxed Japanese dining, is officially opened at Première Hotel.
- Première Hotel's kitchens – Western, Cold, Pastry, Malay, Chinese Banquet, Butchery and The Buzz restaurant, have been certified "halal" by Jabatan Agama Islam Selangor.

CORPORATE DIARY 2011/2012
cont'd

January 2012

- Established WCT's Sports & Recreation Committee to spearhead and coordinate the various activities for the benefit of the Group's employees.

February 2012

- Awarded a Contract worth about RM300 million for the Proposed Design, Construction and Completion of the Government Building (Headquarters of the Ministry of International Trade & Industry) and External Works on part of PT 25966 (formerly known as Plot 8), Jalan Khidmat Usaha, Mukim Batu, Kuala Lumpur by Putrajaya Management Sdn Bhd.

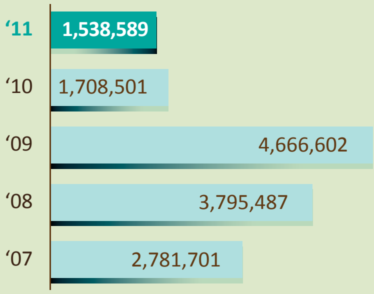
- Awarded a Contract worth RM331 million by Riverson Corporation Sdn Bhd for the Construction and Completion of the Proposed Mixed Commercial Development with Purpose Built Medical Centre and related Facilities [with subsidiary (Strata) Titles to be applied for] on TL. 017549530 at Coastal Highway, Kota Kinabalu, Sabah, Malaysia.

- Sales launch for the following houses in Bandar Parklands (BBT3), Klang, Selangor, Malaysia:-

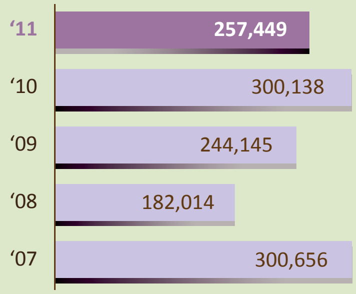
  - "Camellia" bungalows, Phase C10; and
  - "Rosaria" double-storey super-link houses, Phase C3.

FINANCIAL HIGHLIGHTS

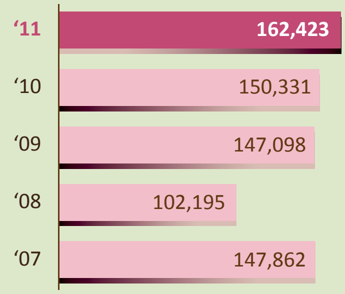
REVENUE
RM'000



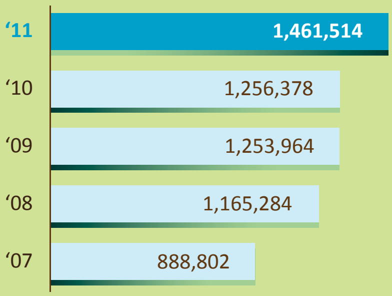
PROFIT FROM OPERATION
RM'000



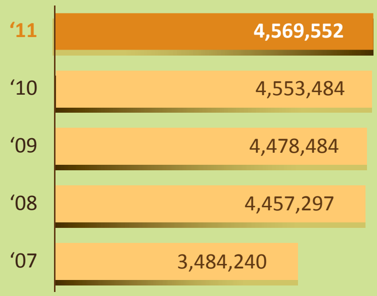
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY
RM'000



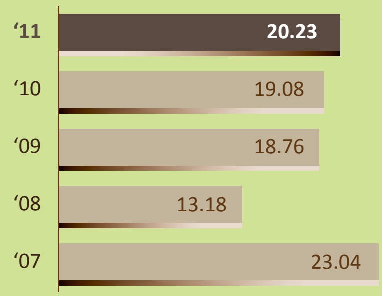
SHAREHOLDERS' FUND
RM'000



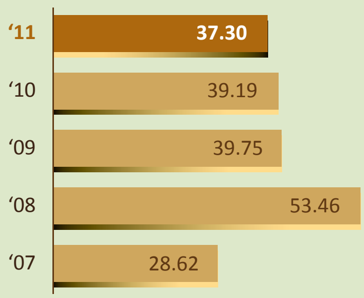
TOTAL ASSETS
RM'000



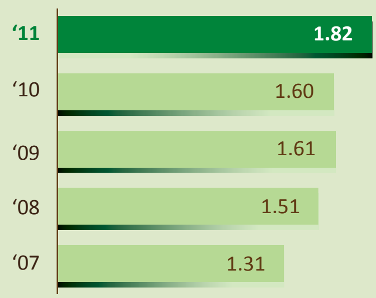
EARNINGS PER SHARE
SEN



DIVIDEND PAYOUT RATIO
%



NET ASSETS PER SHARE
RM



FINANCIAL HIGHLIGHTS
cont'd

		31.12.2011 RM'000	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2008 RM'000	31.12.2007 RM'000
Revenue						
Construction		1,206,814	1,442,860	4,495,135	3,497,884	2,438,185
Property development		279,464	231,045	138,636	191,967	253,993
Property investment & management		52,311	34,596	32,831	105,636	89,523
Total revenue		1,538,589	1,708,501	4,666,602	3,795,487	2,781,701
Profit from operation						
Construction		163,500	195,410	198,534	82,436	189,627
Property development		54,933	42,003	27,577	70,318	93,304
Property investment & management		39,016	62,725	18,034	29,260	17,725
Total profit from operation		257,449	300,138	244,145	182,014	300,656
Profit attributable to equity holders of the Company		162,423	150,331	147,098	102,195	147,862
Issued share capital		403,780	395,540	392,574	391,434	355,533
Shareholders' fund		1,461,514	1,256,378	1,253,964	1,165,284	888,802
Total assets		4,569,552	4,553,484	4,478,484	4,457,297	3,484,240
Earnings per share	**Sen**	20.23	19.08	18.76	13.18	23.04
Dividend payout ratio	**%**	37.30%	39.19%	39.75%	53.46%	28.62%
Net assets per share	**RM**	1.82	1.60	1.61	1.51	1.31
Return on total assets	**%**	3.57%	4.81%	4.82%	3.27%	6.58%
Return on shareholders' fund	**%**	11.11%	11.97%	11.73%	8.77%	16.64%
Net gearing ratio	**Times**	0.40	0.37	0.23	0.35	0.26

Price Performance	**2011 RM**	**2010 RM**	**2009 RM**	**2008 RM**	**2007 RM**
Ordinary Share					
High	3.630	3.310	2.860	(1) 5.000	(2) 4.300
Low	1.850	2.430	0.925	1.070	(2) 1.590
Close	2.380	3.190	2.600	1.520	(2) 4.175
ICPS 2007/2012 (WCT-PA)					
High	0.700	0.660	0.580	0.985	0.850
Low	0.400	0.470	0.180	0.200	0.380
Close	0.445	0.630	0.525	0.295	0.800

Price Performance	**2011 RM**	**2010 RM**	**2009 RM**	**2008 RM**	**2007 RM**
Warrants 2008/2013 (WCT-WB)					
High	1.040	0.765	0.715	1.010	-
Low	0.220	0.395	0.160	0.185	-
Close	0.350	0.675	0.560	0.235	-
Warrants 2011/2016 (WCT-WC)					
High	0.870	-	-	-	-
Low	0.360	-	-	-	-
Close	0.460	-	-	-	-

Notes:
1. *Adjusted for the 2 for 1 share split on 12 February 2008 whereby one share of RM1.00 was sub-divided into 2 shares of RM0.50 each.*
2. *Adjusted for the 1 for 3 Bonus Issue completed on 10 July 2007 and the abovementioned share split.*

PROFILE OF DIRECTORS

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid

Independent Non-Executive Chairman

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid, aged 62, was appointed to the Board on 12 August 1996. He obtained his Master Mariner qualification 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 forty years of experience in the international maritime industry and is a Fellow of the Chartered Institute of Logistics & Transport (UK) and a Fellow of the Institut Kelautan Malaysia. 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 an Independent Non-Executive Director of Malaysian Bulk Carriers Berhad and PPB Group Berhad.

Taing Kim Hwa

Managing Director

Taing Kim Hwa, aged 58, 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.

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

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.

Goh Chin Liong
Deputy Managing Director

Goh Chin Liong, aged 52, 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.

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

Choe Kai Keong
Executive Director

Choe Kai Keong, aged 61, 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 thirty 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. Upon the listing of the Group's property development subsidiary, WCT Land Berhad ("WCTL"), on Bursa Malaysia Securities Berhad in 2004, Mr Choe was appointed as its Executive Director while remained as a Non-Executive Director of WCT. Following the privatization of WCTL on 12 March 2008 (and assumed its current name, WCT Land Sdn Bhd), Mr Choe was re-designated as WCT's Executive Director effective 14 April 2008, focusing on the operations of WCT Group's Property Division.

Mr Choe is a member of the Management Committee.

PROFILE OF DIRECTORS
cont'd

Liang Kai Chong
Executive Director

Liang Kai Chong, aged 50, 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 Royal Institution of Surveyors, Malaysia. He is a member of the Royal Institution of Surveyors, Malaysia and the Royal Institution of Chartered Surveyor, United Kingdom.

Mr Liang has over 26 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, construction and completion of many challenging projects in Malaysia. He was its Head of Contracts before he left to join WCT Group in 1997.

He started his career in WCT Group as the Head of Contracts and progressed to be entrusted with expanded roles and responsibilities as the General Manager in 2001. He was promoted to Executive Director in 2004, responsible for WCT Group's Engineering & Construction Division operations for all 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.

Cheah Hon Kuen **
Independent Non-Executive Director

Cheah Hon Kuen, aged 55, was appointed to the Board on 26 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.

PROFILE OF DIRECTORS
cont'd

Choo Tak Woh *
Independent Non-Executive Director

Choo Tak Woh, aged 61, was appointed to the Board on 16 December 1999. He completed his Association of Chartered Certified Accountants (ACCA) 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 and an Advisor to the Risk Management Committee.

Andrew Lim Cheong Seng *
Independent Non-Executive Director

Andrew Lim Cheong Seng, aged 48, was appointed to the Board on 3 January 2012. He graduated from the University of Newcastle, N.S.W., Australia, with a Bachelor of Commerce in 1984.

Mr Lim started his career in the financial sector in 1985 as a loans officer with a local bank and has since held various management positions in financial institutions and stockbroking firms in Malaysia and Singapore. He moved to HSBC (Trustee) Singapore in 1989 to assume the position of Business Development Officer, advising high net worth individuals and corporations on their asset management and protection structures. Subsequently, he returned to join Phileo Allied Securities (a stockbroking company subsequently acquired by Maybank Securities in 2001) as Manager, Institutional Sales (1994 - 1999) and Head of Dealing (1999 – 2001). In 2003, he took up the position as Head of Equity Capital Markets in AmInvestment Bank (formerly known as Arab Malaysian Merchant Bank) and was involved in underwriting, placement and bookrunning of companies seeking initial public offerings and equity fund raising. Mr Lim subsequently retired from the corporate scene in 2005 to pursue his personal business interest.

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

Notes:
(1) All the Directors are Malaysian.
(2) There is no family relationship between the Directors and/or major shareholders 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.*

** *Denotes a Director who will be retiring at the forthcoming Annual General Meeting in accordance with the Company's Articles of Association and will not be seeking re-election.*

CHAIRMAN'S STATEMENT

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 2011.

CHAIRMAN'S STATEMENT
cont'd

ECONOMIC OVERVIEW

The slower global growth coupled with the uncertainties in Europe and the United States last year had weakened demand for Malaysian products and services, resulting in a lower GDP of 5.1% compared to 7.2% in 2010. Overall, Malaysia's economy was generally resilient with inflation hovering at about 3%, driven mainly by private consumption and government spending. In addition, the award of significant projects outlined under the Economic Transformation Programme (ETP) was vital in sustaining domestic growth.

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2011, the Group achieved profit after tax of approximately RM163 million as compared to RM219 million recorded in the previous year. The Group's revenue of RM1,539 million represented a decrease of 9.9% compared to the previous year's revenue of RM1,709 million. Despite the decline in revenue, the Group managed to achieve a net profit of RM162 million compared to RM150 million in 2010.

The Civil Engineering and Construction Division contributed approximately RM1.207 billion or 78.4% of the Group's total revenue. As for profit after tax, the Division's contribution to the Group is about RM102 million or 62.6% of the total Group's profit after tax.

For the year under review, the Property Development and Investment Division recorded a revenue of approximately RM332 million and profit after tax of approximately RM61 million.

CURRENT YEAR OUTLOOK

Against the backdrop of a cautious global economy and general weakness in external demand across all key markets this year, Malaysia's economy will mainly be supported by its domestic activities which are expected to sustain growth. Bank Negara has recently reported that it expects Malaysia's GDP to grow by about 5% in 2012 driven by strong expansion in domestic demand.

The Economic Transformation Program ("ETP") launched by the Government of Malaysia is expected to have a positive impact on the local construction and property industries.

STRATEGIC PARTNERSHIP

On 22 September 2011, a "Build-Operate-Transfer" Concession Agreement and Shareholders' Agreement were signed between the Group and Malaysia Airports Holdings Berhad ("MAHB") to jointly undertake, through Segi Astana Sdn Bhd ("JV Company"), the development of the Integrated Complex at the new Low Cost Carrier Terminal (KLIA2) in Sepang, Selangor. The concession is for a period of up to 25 years with an option for the Group to extend it for a further period of 10 years. The equity interests of WCT and MAHB in the JV Company are in the proportion of 70% and 30% respectively.

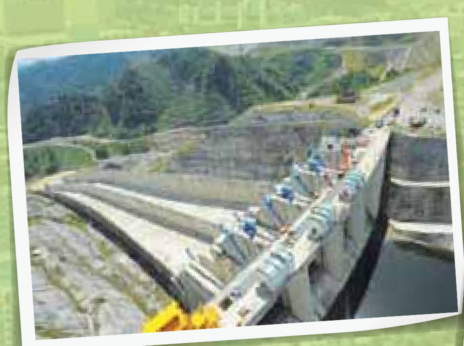
FINANCIAL CONFIDENCE

On 10 January 2012, Danajamin Nasional Berhad, Malaysia's First Financial Guarantee Insurer, announced it will guarantee WCT's 70% owned Segi Astana Sdn Bhd's RM470 million 14-year Medium Term Notes (MTN) Programme. The first tranche of the MTN programme, totalling RM150 million, with maturity ranging between 11 years and 14 years, were duly issued and, on even date, have already been fully subscribed. The issuance is rated AAA.

The funds raised from the MTN Programme will primarily be used to part finance the development of the Integrated Complex at the new Low Cost Carrier Terminal (KLIA2) in Sepang, Selangor.

DIVIDEND

The Company paid a gross interim dividend of 5.0 sen per ordinary share of RM0.50 each less 25% income tax on 19 September 2011 in respect of the year ended 31 December 2011. The Board of Directors is recommending a final gross dividend of 3.0 sen per ordinary share less 25% income tax and a final tax exempt dividend of 1.5 sen per ordinary share. If approved at the forthcoming



Annual General Meeting, the total net dividend payout for the financial year 2011 will be 3.75 sen per ordinary share (same as the total net final dividend of 3.75 sen per ordinary share paid for the financial year 2010).

WCT VISION & MISSION

In 2011, WCT celebrated its 30th Anniversary and the WCT Board of Directors and Management took the opportunity to re-visit the Group's Vision and Mission. As stated in the inner cover of this year's annual report, the revised Vision and Mission statements will be the Group's cornerstone in sustaining our operational and financial excellence in the marketplace. At the same time, we have also identified the set of core values which have guided the Group through all those years to what it is today and which will ensure the Group's future success and longevity. Managing Director, Mr. Taing Kim Hwa will elaborate more on the core values in his annual statement in the following pages.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

With the objective of streamlining its CSR activities, the Group is currently working on the following:-

a. Developing a more cohesive CSR Framework;
b. Developing an effective CSR management strategy;
c. Communicating CSR activities; and
d. Obtaining and analyzing feedback from both internal and external stakeholders.

Corporate Affairs Department will be coordinating the Group's CSR effort.

INVESTOR RELATIONS

WCT Berhad's commitment towards good Investor Relations practice was recognised at the Malaysia Investor Relations Award 2011, an inaugural event endorsed by Bursa Malaysia. WCT Berhad was named the Top 15 companies in Malaysia Investor Relations Awards under the Medium Capitalisation category.

CHANGES IN THE DIRECTORATE

The composition of the Board of Directors had undergone changes with the following appointment and resignation:-

a. On 3 January 2012, Mr Andrew Lim Cheong Seng was appointed to the Board as an Independent Non-Executive Director. He is also a member of the Audit Committee and Nomination & Remuneration Committee.

b. On 9 July 2011, Mr Loh Siew Choh, an Executive Director of the Company, resigned after serving the Group for 5 years.

Mr Cheah Hon Kuen, an Independent Non-Executive Director, will be retiring by rotation at the forthcoming 31st Annual General Meeting ("AGM") and has given notice of his intention not to seek re-election. Hence, he will retire as a Director upon the conclusion of the AGM.

On behalf of the Board of Directors, I would like to welcome Mr. Andrew Lim Cheong Seng on board as an Independent Non-Executive Director and to put on record our appreciation to the outgoing directors, namely Mr Cheah Hon Kuen and Mr Loh Siew Choh.

ACKNOWLEDGEMENT & APPRECIATION

On behalf of the Board of Directors, I would like to express my sincere appreciation to our customers, shareholders, business associates as well as the various regulatory and government authorities. Last but not least, my heartfelt thanks to the dedicated management and employees of the Group for their commitment and contribution to the success of our WCT Group.

Dato' Capt. Ahmad Sufian
Chairman

12 April 2012

MANAGING DIRECTOR'S LETTER TO SHAREHOLDERS

Dear Valued Shareholders,

WCT Berhad celebrated her 30th Anniversary in 2011 and we are indeed very proud to have built many successes and values over the years. In my last note to you, I mentioned that the above is only possible because of the men and women who tirelessly work the miles at WCT, and to all those who have in more ways than one, been associated with our walk in history. In my note this time, I want to share with you another accompanying ingredient contributing to our three-decade achievements. It is the set of timeless core values we embrace at WCT since the day this Company was founded.

MANAGING DIRECTOR'S LETTER TO SHAREHOLDERS
cont'd

The WCT Core Values are **Winning, Commitment, Teamwork, Humility** and **Respect**. These 5 core values forms the culture that made WCT today:-

"**Winning** through **Commitment** and **Teamwork** built upon the foundation of **Humility** & **Respect**."

On 29 September 2011 and 13 March 2012, in separate notes to my colleagues, I stressed the importance for all at WCT to continue embracing these Core Values because these values will tie everyone in the organization together, setting expectations of how we would operate as ONE team and making WCT a successful place where we belong. I take this opportunity to share this with you, my fellow shareholders with the hope that, together, with these Core Values as our guiding principles, WCT will achieve even more successes.

In the meantime, I am pleased to set out below, our Group's overall results and achievements for the year 2011 followed by a more detailed outline of each of the Group's major component divisions' contribution to such results and achievements for the year 2011 as well as our outlook for 2012.

OVERVIEW

For the year 2011, WCT Group registered a consolidated revenue of RM1.5 billion while recording operating and net profits of RM257 million and RM162 million, respectively.

The Engineering and Construction Division continued to be the main thrust of the Group's business activities. It contributed RM1.207 billion or 78.4% of the Group's consolidated revenue. In terms of operating profit, it achieved RM164 million or 63.8% of the total operating profit of the Group.

Meanwhile, the Group's Property Development registered a revenue of RM280 million or 18.2% of the Group's consolidated revenue. Operating profit was RM55 million or 21.4% of the Group's total operating profit.

Assets Investment and Management contributes a recurring flow of income since 2008, derived mainly from rental income at our Bukit Tinggi Shopping Centre. In 2011, total revenue from this segment amounted to RM52 million, registering an operating profit of RM39 million or 15.2% of the Group's total operating profit.

ENGINEERING & CONSTRUCTION

2011 was a lukewarm year in terms of procurement of new construction contracts. This is due primarily to our cautious approach in bidding for projects with the main aim of sustaining construction margins. The construction industry was further adversely affected by the ailing economies in Europe which caused the deferment of numerous project rollouts in Malaysia and in the Gulf States. Nonetheless, our procurement team remained focused and worked ever harder to fulfill our procurement targets. At the start of 2012, we successfully secured 2 quality construction contracts, namely:-

1) the new headquarters building of Malaysia's Ministry of International Trade and Industry in Kuala Lumpur, which is designed to be a Gold-rated Green-Building; and
2) the Riverson buildings in Sabah, Malaysia, which include the construction of the Kota Kinabalu Medical Centre.

The above proved once again that the construction industry is naturally cyclical and such market trend requires diligent consideration of various factors when accepting contracts. Nevertheless, WCT has been in the



construction industry for 31 years and I believe our years of solid track record and experience will always be our most valuable core competency in delivering commendable financial and operational excellence. Malaysia's central bank expects the construction sector to grow at 6.6% in 2012, supported by the implementation of major infrastructure projects and the special stimulus package. At the start of 2012, the Government has begun to award several infrastructure projects that will surely spur construction activities in the country. With that, we expect 2012 to be a busy year for us both in the procurement of new contracts as well as the execution of existing works.

PROPERTY DEVELOPMENT

The residential property market performed well in 2011 with strong consumer confidence and higher liquidity in the market resulting in good take up rates and rising property prices. Investors were active in the property market which is seen as a good hedge against inflation. Attractive financial packages offered by the financial institutions and incentives extended by developers also contributed to the strong demand for residential properties. Moving into 2012, with the slower economic growth projection and the tightening of the loan approval process, stronger demand is expected in the mass, middle range, residential property market. The current trend of launching smaller sized condominium units which translates to lower price quantum is expected to continue. However, new launches are expected to ease in the first half of 2012 as developers adopt a more cautious approach. Market prices are expected to remain stable in 2012. In the medium term, the construction of the Mass Rapid Transit (MRT) rail network will spur growth of new areas along the MRT route.

The retail market also performed well in 2011 consistent with steady GDP growth and strong consumer confidence. For 2012, despite the slower economic growth projection, the outlook for retail will remain positive due to the healthy employment rate, rising disposable income and strong demand for lifestyle and quality products. Local and international retailers are continuously assessing growth and expansion opportunities. As such, retail centres with good management coupled with the right tenant mix and offerings will continue to perform well.

The occupancy rate for Klang Valley offices remained at 82% in 2011 despite new supply of office space. However a total of 11.6 million square feet of office space is expected to be completed in 2012 and this surge in office space will result in greater pressure on selling and rental prices. Nevertheless, newer office buildings in good location with modern facilities, amenities and with Cyber centre status are expected to still enjoy good take-ups and occupancy.

Township Development - Bandar Bukit Tinggi I & II and Bandar Parklands

In 2011, properties in Bukit Tinggi townships were well received with property sales achieving RM386 million as compared with RM197 million a year before, marking an increase of 96%. The gated community concept and the various facilities and amenities which the township offers, anchored by the presence of Aeon Bukit Tinggi Shopping Centre provides residents with security and conveniences at their door steps, thus resulting in strong sales growth for Bandar Bukit Tinggi township.

MANAGING DIRECTOR'S LETTER TO SHAREHOLDERS
cont'd

The office towers @ BBT_ONE achieved strong occupancy anchored by prominent tenants such as the Employees Provident Fund (EPF), Tenaga Nasional Bhd (TNB) and Standard Chartered Saadiq. Shipping and logistic companies which form the majority of the tenants continue to show strong interest in BBT_ONE Towers. Located adjacent to the office towers, Première Hotel and BBT_ONE Boulevard have created an integrated commercial development with good synergy and value. The en-bloc sale of an office tower @ BBT_One which is expected to be occupied by a fitness centre will add to the vibrancy of this area.

The Group is currently planning developments on the commercial lands in Bandar Bukit Tinggi I and II in particular the prime lands adjacent to Aeon Bukit Tinggi Shopping Centre, which is scheduled to be launched this year. Moving forward, the focus will be on developments that would add value to the township and enhance its competitive edge.

Residential development will be focused in Bandar Parklands, where the premium gated developments has experienced strong demand and good price appreciation. The lushly landscaped 12 acres People's Park which anchors this well planned township and SJK (C) Wu Teck primary school which commence its first school term in 2012, has enhanced the facilities provided for the township. The police station, which will be built by WCT as a contribution to the community and provide the residents with peace of mind, is currently under construction.

The Paradigm Mix-Commercial Development @ Petaling Jaya

The Paradigm, which comprises the Paradigm Mall and three commercial towers – a business hotel, premium offices and serviced apartments, is an integrated mixed development with Gross Development Value of RM1.4 billion. Located along the Damansara-Puchong Expressway (LDP) in Kelana Jaya, Petaling Jaya, the construction of Paradigm Mall will be completed in the first quarter of 2012 while the remaining commercial towers will be developed in the following 2 to 3 years.

Medini, Iskandar Malaysia

Located in Iskandar Malaysia, Johor, Medini is one of Malaysia's largest integrated city developments spanning an area of 2,300 acres at the Southern tip of Peninsula Malaysia. Today, Medini Iskandar Malaysia is reaching a tipping point, a crucial stage of development where a host of planned catalytic projects turn into reality. Apart from the existing Kota Iskandar Government Administrative Centre, the Newcastle University of Medicine has commenced student intake in September 2011 and LEGOLAND Theme Park is expected to open its doors to leisure and fun-seekers in 2012. In addition, Malborough College, Netherlands Maritime Institute of Technology, University of Southampton, Gleneagles Medini Hospital, Pinewood Studios and Raffles University will be operational in the following years.

1Medini

On 21 June 2010, WCT through its subsidiary, One Medini Sdn. Bhd., signed a Sale and Purchase agreement to purchase a 10.96 acre land for the development, in stages, of 1,332 units of condominium named 1Medini. These parcels of land are located strategically with existing highway connectivity and infrastructure, within 15 minutes driving travelling distance to Singapore and in close proximity to excellent facilities and amenities.

It is the first residential development in Medini Iskandar Malaysia and has a gross development value of approximately RM700 million. One Medini Sdn Bhd has soft launched the first block of 1Medini condominium in January 2012 and has enjoyed good response. The second block was thereafter opened for sale in April 2012 and is expected to enjoy equally strong demand. This is due to the improving sentiment for developments in Medini as a result of the catalytic developments reaching completion and the increased interest shown by developers to participate in developing Medini.

Medini Business District

On 14 December 2010, WCT formalised the purchase of its second piece of land in Medini Iskandar Malaysia, measuring 10.3 acres, from Global Capital Development. The commercial land, located opposite 1Medini, is situated within Medini Business District, the financial and business centre at the heart of Medini. The inking of this investment deal forms part of the Group's business plans to expand our property development presence in the southern region of Malaysia as well as complementing the development of 1Medini.

ASSETS INVESTMENT AND MANAGEMENT

Première Hotel

After more than a year in operation, the group's first hotel, Première Hotel in Klang has been highly successful with commendable occupancy rates. The hotel received its official 4 star certification from the Ministry of Tourism Malaysia in July 2011. As the only 4 star rated hotel in Klang, Première Hotel quickly became the hotel of choice for both local and international business travelers to Klang. The hotel's three dining outlets have built a fantastic reputation and loyal following among Klang residents for its innovative concepts and value for money food and beverage operation. With its six versatile function rooms and a 1,250 square meter pillar-less ballroom, the hotel will continue to be the venue of choice for corporate functions and social events in Klang.

The outlook for 2012 continue to be bright with a projected growth of 10% in the business traveler segment and the local food and beverage business.

Owing to the success of Première Hotel Klang, the Group plans to start construction of a second hotel within the vicinity of the Paradigm Mall @ Petaling Jaya. The new hotel is now in the planning stage with construction expected to commence soon.

Bukit Tinggi Shopping Centre

The Group's first major investment property, Bukit Tinggi Shopping Centre with a net lettable area of 1.0 million square feet and 5,000 car park bays, 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. The shopping centre continues to provide a steady recurring income base to the Group.

Paradigm Mall @ Petaling Jaya

The Group's retail mall investment and management business will be further strengthened with the completion of Paradigm Mall in Petaling Jaya. Construction of the mall is in its final stages and is due for completion and targeted to open in the second quarter of 2012. Paradigm Mall has a net lettable area of 700,000 square feet and 4,400 car park bays.

MANAGING DIRECTOR'S LETTER TO SHAREHOLDERS
cont'd

A mall management team with vast experiences has been recruited and has strategized various plans to make WCT a force to be reckoned with in the retail industry. Leasing activities to secure prospective tenants is at its final stages with an objective to ensure the right tenant mix for the mall. The mall tenancy rate as at 31 December 2011 was at 75% and has continued to grow steadily since.

The mall's leasing team has done a splendid job by securing quality anchor, junior anchor and general tenants. To date, the Mall has managed to secure more than 230 tenants. Amongst the reputable brands are Tesco, Golden Screen Cinemas, Marks & Spencer, Zara, Padini Concept Stores, Harvey Norman, Toys'R Us, Popular Bookstore, Brands Outlet, Songbox Karaoke, Yu Kids, Starbucks, TGI Friday's and Sakae Sushi, Coffee Bean.

When opened in the second quarter of 2012, Paradigm Mall is expected to be the neighborhood hub for good fashion, leisure and entertainment, shifting the paradigm of how the retail experience should be.

KLIA-2 Integrated Complex

The award of the Build-Operate-Transfer Concession of 25 years (with an option to extend for a further 10 years) to operate and manage the KLIA2 Integrated Complex (IC) by Malaysia Airports Holdings Berhad to the Group marked an important milestone for WCT as this is the Group's first concession in Malaysia.

When completed, the IC will have more than 350,000 square feet of net lettable space with seamless connectivity to the departure and arrival levels to and from the KLIA2 main airport terminal building. Besides being a leisure and shopping hub, the IC will also have 6,000 car park bays to cater for KLIA2 passengers, visitors and airport-based personnel. At the heart of the IC is the main transportation hub of KLIA2 where taxis, buses and the Express Rail Link (ERL) will all meet at this centralized location.

The construction of the IC is progressing rapidly with target completion by the fourth quarter of 2012. When the IC commences operation, more than 20 million air passengers is expected to patronize the IC annually.

Investments in Vietnam

The overall economic conditions in Vietnam remained weak during the year which experienced high inflation and depreciation of the Vietnamese currency. The Group has decided to defer the Platinum Plaza Shopping Mall and Offices project until such time when the overall economy, especially the property sector, returns to favorable conditions. During the year, the Group obtained an Investment Certificate for its mixed residential development project in a 4.6 hectare site in Saigon South Binh Chanh District. The project has an estimated gross development value of USD200 milllion. Barring any unforeseen circumstances, the Group plans to start the project during the fourth quarter of 2012.

New Frontier – China

In line with the Group's business strategy and to broaden the Group's earning base, in August 2011, the group established its presence in China whereby a wholly-owned subsidiary, WCT Management (Beijing) Limited was incorporated to spearhead the Group's expansion into China. Taking into consideration China's rapid urbanization growth potential, the Group plans to venture into residential and commercial property development in China's second and third-tier cities.

India Highway Concessions

The Group's investments in Highway Concessions date back to 1999 when WCT, via a consortium of Malaysian contractors, ventured into India and constructed the 145 km Tada to Nellore highway under a Build-Operate-Transfer ("BOT") scheme. Our investments in two other BOT highway projects, the Durgapur Expressway and the Panagarh-Palsit Expressway, were open to traffic in 2005 and the concessions expire in 2020. The concession companies for both highways are paid on a semi-annuity basis by the National Highways Authority of India.

MOVING FORWARD STRATEGIES

In 2012, the Group will leverage on our sound financial and operational profile and track record within the construction and property development businesses with the aim of broadening our earning base.

To strengthen and diversify our businesses in the longer term, the Group will focus on three core and equally important business segments, namely Engineering & Construction, Property Development, and Investment & Management. In pursuit of this, WCT plans to, amongst others:

a) Strengthen our existing construction market presence in Malaysia and the Gulf States by leveraging on our track record in iconic projects, our skilled and experienced human capital and our large fleet of plants and machineries;

b) Actively participate in infrastructure and development projects under the Economic Transformation Programme, the 10th Malaysian Plan and other initiatives promoted by the Government;

c) Form strategic alliances with international construction partners to enhance WCT's capacity and competitiveness to compete in a globalised market;

d) Extend our profile in big scale township planning and development into niche residential and commercial development, investment and management; and

e) Establish strategic partnerships in property development and investment opportunities in Malaysia and abroad.

The Group continues to adopt strict financial discipline and conservative approach in doing business. We will remain selective about the type of work we accept and concentrate on construction projects that fit our profile and strengths. The Group's land acquisition will continue to be focused on growth corridors and designated economic zones with good infrastructure and amenities. Developments will concentrate on properties in the middle and up-market range with a good mix of residential and commercial content. Although business environment is robust, we are committed to exercise prudent cost and cash flow management with shareholders' interest as our main priority.

My team and I look forward to a successful 2012 and beyond.

TAING KIM HWA
Managing Director

12 April 2012

MANAGEMENT COMMITTEE

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

2 Choe Kai Keong
Executive Director - Property

3 Liang Kai Chong
Executive Director - Engineering & Construction

4 Dato' Teo Tong Kooi
Chief Executive Officer - Vietnam & China Operations

5 Ng Eng Keat
General Manager

6 Young Pey Feei
General Manager - Property

7 Khor Loke Yew
Head - Legal Affairs & Secretarial

8 Chong Kian Fah
Head of Corporate & Finance/Company Secretary

9 Wong Lim Fong
Senior Manager - Human Resource & Administration

10 Wong Pooi Cheong
Company Secretary

SENIOR MANAGEMENT

Engineering & Construction Division

1 **Ng Eng Keat**
General Manager

2 **Mohd Roslan bin Sarip**
Project Director

3 **Saw Aik Hock**
Project Director

4 **James Andrew Chai**
Project Director

5 **Elina Abdul Aziz**
Regional General Manager, Middle East

6 **Lim Swee Hock**
Senior Project Manager

7 **Ong Ka Thiam**
Head of Technical

Property Division

1 **Young Pey Feei**
General Manager - Property

2 **Dato' Teo Tong Kooi**
Chief Executive Officer - Vietnam & China Operations

3 **Goh Tong Kiat**
Project Director

4 **Stewart Tew Peng Eng**
General Manager - Sales & Marketing

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

At WCT, 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 our businesses, elements to ensure delivery of long-term sustainable values to our stakeholders.

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 corporate culture and Core Values of "**W**inning through **C**ommitment and **T**eamwork built upon the foundation of **H**umility and **R**espect" ensure delivery of satisfactory results to our stakeholders. WCT continuously evaluates and develops work processes and quality management systems conforming to ISO 9001:2008 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.

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 ISO 9001:2008. Regular trainings to promote awareness and responsible environmental practices among our people are conducted regularly.

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.

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 range from job-related technical trainings to soft skills, management and administrative courses.

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.

At our hotel operations, health and safety committees comprising employees from every department of Première Hotel have been formed to ensure compliance with all the requirements and legislations related to the various safety and health issues in the hotel.

Work-Life Balance

To promote work-life balance and a healthy lifestyle, our people are encouraged to engage themselves in various sporting and leisure activities.

The WCT Sports & Recreation Committee (SRC) was established in December 2011 with the objective of promoting staff unity and teamwork across the Group. The SRC is represented by employees from all business units and project sites within the Group. The SRC has planned for a range of activities for the benefit of the employees.

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.

COMMUNITY

WCT Group has been actively pursuing socially responsible practices in places where we operate to ensure the well-being of the local communities. Our focus areas include:-

- Community events;
- Sports;
- Education; and
- Practical trainings.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT
cont'd

Festivities for the kids
23 August 2011

In the spirit of Ramadan, our Première Hotel held its first-ever "Majlis Berbuka Puasa 1Malaysia", attended by 43 children from Persatuan Kebajikan Anak Yatim & Miskin Al-Munirah at the Hotel's grand ballroom.

In addition to the sumptuous buffet spread of wholesome kampung fare and ever-green favourities, the young guests also received duit raya. The hotel also gives the gift of literacy by donating books and learning materials to help to stock their soon-to-open library facilities.

Blood Donation Drive
15 September 2011

In collaboration with the Malaysian Red Crescent Society (Chapter Klang) VAD 14, a blood donation drive was organised at one of the Studio Room in Première Hotel.

Hotel guests and associates from WCT and the hotel participated in the first annual blood donation drive. The event attracted 74 people and helped in collection of 50 blood units.

Breast Cancer Awareness Campaign
1-31 October 2011

As part of its 1st Anniversary Celebration, Première Hotel was showing its support for Breast Cancer Awareness Month throughout October with "Passionately Pink" – to raise both awareness and funds.

Première Hotel encouraged its guests to add an optional RM1 donation onto their room and food and beverage bills and RM10 onto their banquet bills, and the Hotel doubled the donation with a matching contribution ringgit for ringgit.

Healthy Jog and Family Day at Bandar Parklands, Klang
19 November 2011

Healthy Jog and Family Fun Day was organised by WCT Land Sdn Bhd in support of healthy family lifestyle among the community and less fortunate children.

The healthy jog and family day was a runaway success with almost 400 participants who included 75 kids from Good Samaritan Homes, St Barnabas Home and Pusat Jagaan Anak-Anak Yatim Waja homes who each received a gift of a dictionary.

"Adopts" Children from Good Samaritan Home

1 November 2011

Good Samaritan Home (GSH) in Klang, a shelter home for 36 children ranging from 4 months to 21 years old from under privileged backgrounds is Première Hotel's First adopted children home as part of the its corporate social responsibility.

A Christmas to treasure with Good Samaritan Home's Children

21 December 2011

In the true spirit of the season, Première Hotel hosted a Children Christmas Party Celebration for 36 children from Good Samaritan Home, Klang.

At the event, the children also received a backpack filled with basic school supplies. This effort will relieve the home's expenses on school supplies and provide the children with tools so they can focus on their education.









CORPORATE SOCIAL RESPONSIBILITY STATEMENT
cont'd

WCT Sports Competitions 2011

To promote work-life balance, healthy lifestyle and team building, the Sports & Recreation Committee of WCT had organised 3 sports competitions in the month of December 2011:-

(i) Futsal – 4 December 2011
(ii) Bowling – 11 December 2011
(iii) Badminton – 18 December 2011

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of WCT Berhad ("the Company") fully supports and is committed to 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 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
- 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. Issues deliberated at such meetings and the relevant decisions made are duly minuted. During the financial year ended 31 December 2011, five (5) 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	5/5
Taing Kim Hwa	5/5
Goh Chin Liong	5/5
Choe Kai Keong	5/5
Loh Siew Choh (resigned on 9 July 2011)	3/3
Liang Kai Chong	5/5
Cheah Hon Kuen	5/5
Choo Tak Woh	5/5

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 2011, the Board comprises seven (7) members, four (4) 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.

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.

On 17 November 2011, the Board has appointed Mr Choo Tak Woh as the 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 compliance 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;
(iii) Choo Tak Woh; and
(iv) Andrew Lim Cheong Seng (appointed on 23 February 2012)

The terms of reference, duties and responsibilities of the NRC are summarised below:-

(a) Establish a formal and transparent procedure for the appointment of new directors to the Board;
(b) Review the terms and conditions of employment and remuneration of the Executive Directors;
(c) Consider, assess and recommend new nominees to the Board as well as committees of the Board;
(d) Review and approve the remuneration packages (including annual increments and bonuses) of the Executive Directors;
(e) 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) Review annually the required mix of skills, experience and other qualities including core competencies which each director should bring to the Board; and
(g) Ensure that all reviews, assessments and evaluations are properly documented.

The NRC meets at least once a year and whenever required. In 2011, four (4) 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 30th Annual General Meeting, 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 (2002/2012) 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 current members of the Options Committee are as follows:-

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

The Options Committee meets as and when required and in 2011, 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 quality and delivery of products and services, market analyses, quarterly results for announcements, updates on material litigations (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.

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 will be 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 and/or Board Committee memberships.

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, having taken into account the remuneration and employment conditions within the construction and property industries. 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. Besides meeting attendance allowance, Independent Non-Executive Directors who are members of Board Committees are also paid committee fees.

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.

At the Company level, the total Directors' fees for the financial year ended 31 December 2011 was RM258,258/-. 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 ended 31 December 2011 are as follows:-

	Directors' Fees (RM)	Salaries, Allowance & Other Emoluments (RM)	Benefits-in-kind & Perquisites (RM)	EPF (RM)	Total (RM)
Executive Directors	114,258	7,588,110	554,957	674,544	8,931,869
Non-Executive Directors	144,000	130,000	119,925	-	393,925
Total	258,258	7,718,110	674,882	674,544	9,325,794

(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	Non-Executive
RM100,001 to RM150,000	-	2
RM150,001 to RM200,000	-	1
RM900,001 to RM950,000	2	-
RM1,000,001 to RM1,050,000	1	-
RM1,550,001 to RM1,600,000	1	-
RM4,450,001 to RM4,500,000	1	-
Total	5*	3

* *One (1) Executive Director resigned on 9 July 2011.*

STATEMENT ON CORPORATE GOVERNANCE
cont'd

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 in-house training and lectures were organised for the Directors and senior management:-

(A) CSR Strategy Development & Sustainability (19 July 2011);
(B) Introduction to Key Performance Indicator (4 October 2011); and
(C) Talent Identification and Management (2 November 2011).

The Directors' attendance last year was as follows:-

	Directors	Attendance		
		(A)	(B)	(C)
1	Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid*	-	√	-
2	Taing Kim Hwa	√	√	√
3	Goh Chin Liong	√	√	√
4	Choe Kai Keong	√	√	√
5	Liang Kai Chong	-	√	-
6	Cheah Hon Kuen*	√	√	√
7	Choo Tak Woh*	√	√	√

In addition to the above in-house trainings, the following Executive Director and Independent Directors also attended the following external seminars/conferences:-

Liang Kai Chong
- Corporate Directors' Training Programme (13 December 2011)

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid*
- The Securities Commission's New Corporate Governance Blueprint – What does it mean to your Company (10 August 2011)

Cheah Hon Kuen*
- Comprehensive Overview of Standards - convergence with IFRS (30 November – 1 December 2011)

Choo Tak Woh*
- Comprehensive Overview of Standards - convergence with IFRS (30 November – 1 December 2011)

* *Denotes a member of the Audit Committee*

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 two (2) analyst briefings are held each year, usually to coincide with the release of the Group's half-year and year-end 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. Additional engagements with analysts and fund managers may be held via teleconferencing as and when required. 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 on all investor related matters:-

Mr Kenny Wong
Manager – Corporate Affairs
Tel : +603 7805 2266 Ext 213
Email : kenny.wong@wct.com.my

Investor Relations Activities in 2011

Below is a summary of the investor relations activities undertaken in the financial year 2011:-

	Total
Meetings/Conference Calls with investors, analysts and fund managers	44
Investors briefings	5
Regional investors road shows/conferences	9
Press conferences/interviews	3

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 the Chairman declares the number of proxy votes received, both for and against each separate resolution where appropriate.

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 12 April 2012.

OTHER DISCLOSURES

The following disclosures in respect of the financial year ended 31 December 2011 are provided for shareholders' information and in accordance with the requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"):-

1. Utilisation of Proceeds raised from the Issuance of Bonds with Warrants 2011/2016

Total Proceeds Received	RM601,401,943.00
Less: Utilisation as at 30 March 2012	
1. Repayment of Company's Borrowings	RM350,000,000.00
2. Working Capital	RM249,381,652.00
3. Expenses relating to the Proposals	RM 2,020,291.00
Balance :	RM Nil

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 2011, the following quantum were exercised or converted into ordinary shares:-

(i) 1,785,525 ordinary shares of RM0.50 each were issued arising from the conversion of 8,927,627 Irredeemable Convertible Preference Shares of RM0.10 each;

(ii) 22,374 ordinary shares of RM0.50 each were issued arising from the exercise of 22,374 Warrants 2008/2013;

(ii) 723,432 ordinary shares of RM0.50 each were issued arising from the exercise of 723,432 Warrants 2011/2016;

(iii) 15,734,960 ordinary shares of RM0.50 each were issued arising from the exercise of 15,734,960 options granted to employees pursuant to the Employees Share Options Scheme.

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

No new options were granted to the Non-Executive Directors in 2011. The table below sets out the outstanding options of the Non-Executive Directors as at 31 December 2011:-

	Options over Ordinary Shares of RM0.50 each		
Name of Director	**Balance as at 1.1.2011**	**Number of Options Exercised**	**Balance as at 31.12.2011**
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	101,332	51,000	50,332
Cheah Hon Kuen	50,666	26,000	24,666
Choo Tak Woh	52,332	26,000	26,332

5. Information in relation to Employees' Share Scheme

(i) The Employees' Share Options Scheme (2002/2012) ("ESOS") is the only share scheme of the Company in existence during the financial year ended 31 December 2011 ("FYE 2011") and has expired on 12 April 2012.

(ii) The total number of options granted, exercised and outstanding (as adjusted and based on par value of RM0.50 per ordinary share) under the ESOS since its commencement up to 31 December 2011 are as set out in the table below:-

Description	Number of Options (Since commencement up to 31 December 2011)	
	Grand Total	Directors
(a) Granted	*122,350,000	26,687,000
(b) Exercised	77,782,802	26,240,338
(c) Outstanding	31,229,712	222,662

* including forfeited options

(iii) Percentages of options applicable to Directors and Senior Management under the ESOS:-

Directors and Senior Management	2011	Since commencement up to 31 December 2011
(a) Aggregate maximum allocation	0.82%	35.20%
(b) Actual granted	0.82%	31.46%

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

There was no non-audit fees paid or payable to the external auditors by the Company and its subsidiaries in 2011.

8. Material Contracts Involving Directors and/or Major Shareholders

There are no material contracts (not being contracts entered into in the ordinary course of business) which involved the interest of directors and/or major shareholders, either still subsisting at the end of the financial year or entered into by the Group since the end of the previous financial year.

Other material contracts involving directors and/or major shareholders which are still subsisting at the end of the financial year on 31 December 2011 are described in Note 43 (a) to the Financial Statements.

9. Recurrent Related Party Transactions of A Revenue Nature

The aggregate amount of the recurrent related party transactions between WCT Berhad Group and the related party as mandated by the shareholders at the Annual General Meeting held on 18 May 2011 amounted to RM440,100/- during the financial year under review.

STATEMENT ON INTERNAL CONTROL

The Board of Directors ("Board") acknowledges its responsibility for maintaining a sound system of internal controls to safeguard the shareholders' investment and the Group's assets.

The Board reviews the adequacy and integrity of the Group's internal control system and management information system as well as the process of reviewing their effectiveness and operational efficiency.

The Group's system of internal controls covers risk management, internal financial controls as well as those of operational and compliance nature. Due to limitations that are inherent in any system of internal controls, the system adopted by the Group is designed to manage rather than to eliminate the risks that may impede the attainment of the Group's business objectives. Thus, the system only provides reasonable but not absolute assurance against any material misstatement, loss or fraud.

RISK MANAGEMENT

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

The Risk Management Committee ("RMC"), which comprises an Independent Non-Executive Director (as Advisor) and key management personnel from various departments, adopts an ongoing risk management process in identifying, documenting, evaluating, monitoring and managing risks. The Risk Management Policy, Project Risk Management Manual/Guideline and Project Risk Management Process provide a structured and focused approach to managing risks.

In the financial year under review, the RMC held six (6) meetings to review risk reports and assessed the adequacy and effectiveness of identified mitigation controls. Summaries of significant risks duly deliberated at the RMC meetings are then escalated to the Management Committee.

INTERNAL AUDIT FUNCTION

The Group Internal Audit Department ("GIA") was set up by the Board to provide independent assessment on the adequacy and effectiveness of the Group's internal control system.

The GIA reports to the Audit Committee ("AC") and its activities are guided by the Internal Audit Charter and based on the respective Annual Audit Plans approved by the AC.

The GIA carries out regular reviews of business processes to assess the adequacy and effectiveness of internal controls, compliance with regulations and the Group's policies and procedures. The relevant findings and management responses are highlighted to the AC via audit reports.

The GIA also performs ad-hoc audits and investigations as and when requested by the management, the Board or the AC.

AUDIT COMMITTEE

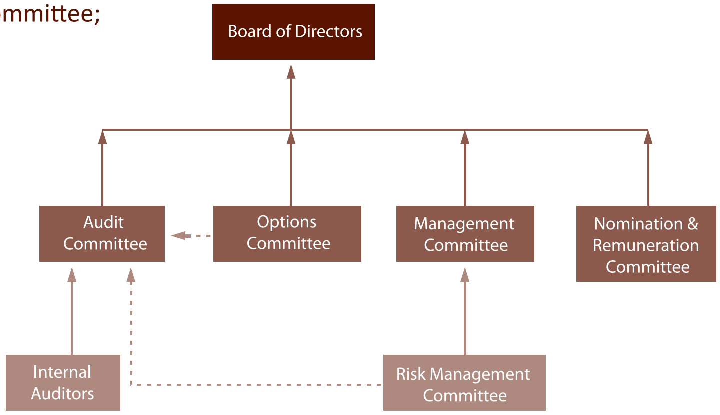
The AC receives reports from both the internal and external auditors on a regular basis.

AC meetings are held regularly to deliberate on the adequacy of internal audit resources, audit findings, management responses, adequacy of audit coverage, corrective actions, and to monitor actions taken by the management in the areas with significant or high risks. The AC also reviews Follow-Up Reports from the GIA on the adequacy and effectiveness of corrective actions taken by the management on the significant issues highlighted.

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.

OTHER KEY INTERNAL CONTROL FEATURES

- 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 include the following:-
  - Audit Committee;
  - Nomination & Remuneration Committee;
  - Options Committee;
  - Management Committee; and
  - Risk Management Committee.



WCT Berhad Oversight Structure

Note:
Management Committee is chaired by the Deputy Managing Director and the members consists of Executive Directors, Heads of Divisions and Departments.

- Internal controls have been established in business units through clearly defined lines of responsibilities, segregation of duties, and authority limits for capital and operating expenditures, awarding of contracts and other significant transactions.

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

STATEMENT ON INTERNAL CONTROL
cont'd

- An Integrated Management System (comprising ISO 9001:2008 – Quality Management System, OHSAS 18001:2007 – OHSAS Management System, and ISO 14001:2004 – Environmental Management System) is continually updated to uphold the quality of our products, the health and safety of our people and the adoption of responsible environmental practices.

- Comprehensive financial and operational information are presented to the management and the Board in a timely manner.

- Proper guidelines on the hiring, termination and appraisal of staff are in place.

- Training and development programmes are identified and scheduled for employees to acquire the necessary knowledge and competency to meet their job requirements.

- Regular visits by Senior Management, AC members and Internal Auditors to project sites and other operating units to obtain updated and latest status on progress of projects and other operational / financial issues.

- In respect of associate company, representatives of the Group sit on the Board of the associate company and that periodic financial and operational information of the associate company is provided to the management of the Group.

- 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.

The Board is of the view that a sound system of internal controls has been implemented throughout the Group which is being continually reviewed to ensure its adequacy and effectiveness. All internal control weaknesses identified during the financial year under review have been or are being addressed. There were no significant internal control problems 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)*
	Andrew Lim Cheong Seng	*(Independent Non-Executive Director, appointed on 3 January 2012)*

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.

AUDIT COMMITTEE REPORT
cont'd

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.

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 directors present. For the financial year ended 31 December 2011, 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 are as follows:-

(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; and

(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;

(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; and

(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 2011, 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 adopted 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 four (24) internal audit reports on operational and financial audit of local and overseas projects, toll concession operation, investigation and compliance;

(8) Discussed and approved thirty (30) internal audits planned for the year 2012 covering local and overseas projects and key processes of the Construction and Property Divisions;

(9) Visited, together with the Manager-Internal Audit, eight (8) on-going local and overseas projects and operations as well as the Group's stock of residential and commercial properties located in Selangor and Kuala Lumpur;

(10) Met with the external auditor of the Group's operations in Qatar;

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

(12) 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 internal audit function of the Group is carried out by the in-house Group Internal Audit Department ("GIA"), which reports directly to the Audit Committee. The Internal Audit Charter sets out the purposes, authority, responsibilities and audit methodology of the GIA whose role is to provide independent and objective reports on the organisation's management records, accounting policies and controls to the Audit Committee. The GIA has adopted the Institute of Internal Auditors Malaysia "Code of Ethics" which is observed by all GIA staff. The total cost incurred in respect of the Group's internal audit function for the financial year ended 31 December 2011 was approximately RM548,166/=.

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.

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.

AUDIT COMMITTEE REPORT
cont'd

E. ACTIVITIES OF THE INTERNAL AUDIT FUNCTION IN 2011

GIA conducts regular reviews and appraisal of the Group's system of internal control to provide assurance to the Board on the efficiency and effectiveness of the system. For year 2011, reviews and appraisals conducted by GIA are based on the Internal Audit Plan for year 2011 as approved by the Audit Committee. Following the opening of the Group's first hotel, namely Première Hotel in Klang, the number of Internal Audit staff has been increased from three (3) in 2010 to six (6) in 2011 to undertake additional and expanded audit reviews. GIA currently has five (5) staff including one (1) manager, one (1) senior executive, two (2) executives and one (1) officer.

For joint venture projects/operation, the review and appraisal of internal control system for each project will be jointly conducted with the respective internal audit department of the joint venture partner (if any).

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.

In 2011, GIA completed twenty three (23) audit reviews on the following and one (1) investigation

No.	Type of Review	No. of Completed Reviews
1	On-going construction projects	4
2	JV project/operations	3
3	Compliance	1
4	Property development projects	2
5	Tolled highway maintenance operation	1
6	Department & process operation	7
7	New businesses/operations	5
		23
8	Investigation	1
Total:		24

(2) Follow-up on Outstanding Audit Recommendation

On periodic basis, GIA conducted follow-up on all issues raised during each audit to ensure timeliness of implementation of agreed responses/action plan by the Management and to assess the effectiveness of the implementation process. Status of such implementation is presented to the Audit Committee during the periodic Audit Committee Meeting.

(3) Visits with Audit Committee Members

For year 2011, Manager-Internal Audit accompanied the members of the Audit Committee and visited the following local and overseas projects:-

(i) Government Administrative Building, Doha, Qatar;
(ii) New Doha International Airport, Doha, Qatar;
(iii) WCT Machinery Sdn Bhd – Bukit Beruntung Workshop;
(iv) LCCT Package EW/01, Sepang, Selangor;
(v) Federal Government Administrative Buildings (Lots 4G8 & 4G9), Putrajaya;
(vi) The Paradigm Development Project, Petaling Jaya, Selangor;
(vii) Première Hotel, Klang, Selangor;
(viii) WCT Land Sdn Bhd – Property Division; and
(ix) The Group's stock of residential and commercial properties located in Selangor and Kuala Lumpur.

(4) Review of Internal Control System of New Business

In 2011, GIA assessed the integrity, adequacy, effectiveness and efficiency of the system of internal control of the Group's first hotel, namely Première Hotel, Klang, Selangor, which was opened in October 2010. The new areas covered are as follows:-

- Purchasing Process
- Payment to Supplier Process
- Store Operation
- Sales, Debtors & Collection Process
- Finance Department

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 2011.

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 jointly controlled entities are disclosed in Notes 7, 8 and 9 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	162,929	80,047
Attributable to:		
Equity holders of the Company	162,423	80,047
Non-controlling interest	506	-
	162,929	80,047

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

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 of the event disclosed in Note 51 to the financial statements.

DIVIDENDS

The amount of dividends paid by the Company since 31 December 2010 were as follows:

	RM'000
In respect of the financial year ended 31 December 2010 as approved by the shareholders:	
Final dividend of 5.0 sen per share less tax at 25% on 798,546,603 ordinary shares of RM0.50 each, paid on 6 June 2011	29,945

DIVIDENDS *cont'd*

	RM'000
In respect of the financial year ended 31 December 2011 as approved by the shareholders:	
Dividend of 1.35 sen per share on 18,211,455 Irredeemable Convertible Preference Shares ("ICPS") of RM0.10 each, paid on 5 August 2011	246
Interim dividend of 5.0 sen per share less tax at 25% on 804,344,872 ordinary shares of RM0.50 each, paid on 19 September 2011	30,163
	60,354

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2011 of 3.0 sen per ordinary share of RM0.50 each less tax at 25% and a final tax exempt dividend of 1.5 sen per ordinary share of RM0.50 each will be proposed for shareholders' approval. The total net final dividend as recommended will be 3.75 sen per ordinary share of RM0.50 each (2010: total net final dividend of 3.75 sen per ordinary share of RM0.50 each).

The financial statements for the current financial year do not reflect these proposed dividends. Such dividends, 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 2012.

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
Choe Kai Keong
Liang Kai Chong
Cheah Hon Kuen
Choo Tak Woh
Andrew Lim Cheong Seng *(Appointed on 3 January 2012)*
Loh Siew Choh *(Resigned on 9 July 2011)*

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that 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") 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 39(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 43 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 ordinary shares, Warrants 2008/2013, Warrants 2011/2016 and options over shares in the Company during the financial year were as follows:

	WCT Berhad			
	No. of ordinary shares of RM0.50 each			
	1 January 2011	Acquired	(Disposed)	31 December 2011
Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid				
- direct	1,177,000	51,000	-	1,228,000
- indirect (child)	20,000	12,000	(10,000)	22,000
Taing Kim Hwa				
- direct	2,007,245	141,000	(1,800)	2,146,445
- indirect	161,633,794	-	-	161,633,794
Goh Chin Liong				
- direct	5,368,701	109,332	-	5,478,033
Choe Kai Keong				
- direct	2,369,975	58,000	-	2,427,975
Liang Kai Chong				
- direct	2,532,730	544,664	-	3,077,394
- indirect (spouse)	203,498	-	-	203,498
Cheah Hon Kuen				
- direct	847,206	26,000	(150,000)	723,206
Choo Tak Woh				
- direct	280,780	26,000	(306,780)	-
- indirect (spouse)	-	316,780	(30,000)	286,780

DIRECTORS' INTERESTS *cont'd*

	WCT Berhad			
	Number of Warrants 2008/2013			
	1 January 2011	Acquired	(Disposed)	31 December 2011
Taing Kim Hwa				
- direct	1,607,863	-	-	1,607,863
- indirect	33,238,999	-	(680,400)	32,558,599
Goh Chin Liong				
- direct	803,000	-	-	803,000
Choe Kai Keong				
- direct	526,400	-	-	526,400
Cheah Hon Kuen				
- direct	54,000	-	-	54,000
Choo Tak Woh				
- direct	37,000	-	(37,000)	-

The terms and conditions of Warrants 2008/2013 are disclosed in Note 29(c) to the financial statements.

DIRECTORS' REPORT
cont'd

DIRECTORS' INTERESTS *cont'd*

	WCT Berhad			
	Number of Warrants 2011/2016			
	1 January 2011	Acquired	(Disposed)	31 December 2011
Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid				
- direct	-	235,400	(135,400)	100,000
- indirect (child)	-	4,000	(4,000)	-
Taing Kim Hwa				
- direct	-	601,000	-	601,000
- indirect	-	38,505,958	-	38,505,958
Goh Chin Liong				
- direct	-	1,100,000	-	1,100,000
Choe Kai Keong				
- direct	-	493,100	-	493,100
Liang Kai Chong				
- direct	-	506,545	-	506,545
- indirect (spouse)	-	40,699	-	40,699
Cheah Hon Kuen				
- direct	-	130,000	(80,000)	50,000

The terms and conditions of Warrants 2011/2016 are disclosed in Note 29(d) to the financial statements.

	Number of share options over ordinary shares of RM0.50 each pursuant to WCT Berhad's ESOS			
	1 January 2011	Granted	(Exercised)	31 December 2011
Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid	101,332	-	(51,000)	50,332
Taing Kim Hwa	121,000	-	(121,000)	-
Goh Chin Liong	109,332	-	(109,332)	-
Choe Kai Keong	116,332	-	(58,000)	58,332
Liang Kai Chong	607,664	-	(544,664)	63,000
Cheah Hon Kuen	50,666	-	(26,000)	24,666
Choo Tak Woh	52,332	-	(26,000)	26,332

Further information of the ESOS are disclosed in Note 29(b) to the financial statements.

ISSUE OF SHARES

Ordinary shares

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM393,470,957 to RM402,604,102, comprising 805,208,204 ordinary shares of RM0.50 each, by way of:

(i) issuance of 15,734,960 ordinary shares of RM0.50 each for cash pursuant to the Company's ESOS at exercise price ranging from RM0.61 to RM2.73 per ordinary share.

(ii) issuance of 1,785,525 ordinary shares of RM0.50 each pursuant to the conversion of 8,927,627 ICPS of RM0.10 which was satisfied by surrendering 5 ICPS for each new ordinary share.

(iii) issuance of 22,374 ordinary shares of RM0.50 each pursuant to the conversion of Warrants 2008/2013 at an exercise price of RM2.50 per ordinary share for cash.

(iv) issuance of 723,432 ordinary shares of RM0.50 each pursuant to the conversion of Warrants 2011/2016 at an exercise price of RM2.75 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) above, 8,927,627 ICPS of RM0.10 each were converted into 1,785,525 new ordinary shares of RM0.50 each during the financial year.

Employees' Share Option Scheme ("ESOS")

Details of the ESOS and options granted and not exercised as at 31 December 2011 are set out in Note 29(b) 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 304,000 options.

Those employees of the Group whose share options entitlements are equal to or more than 304,000 share options in the Company pursuant to the ESOS are as follows:

	Number of share options over ordinary shares of RM0.50 each pursuant to WCT Berhad's ESOS			
	1 January 2011	Granted	(Exercised)	31 December 2011
Ng Eng Keat	671,666	-	(118,666)	553,000
Saw Aik Hock	446,000	-	-	446,000
Ling Nguok Kiew	386,332	86,000	(109,332)	363,000
Elina Binti Abdul Aziz	236,000	108,000	-	344,000
Beh Chye Meng	326,332	-	-	326,332
Choo Kam Foo	336,000	81,000	(113,000)	304,000

DIRECTORS' REPORT
cont'd

WARRANTS 2008/2013

Pursuant to the issuance of the RM300 million nominal value of Islamic Serial Redeemable Bonds ("SUKUK"), 139,887,452 detachable warrants rights were allotted and listed on the Main Board of Bursa Malaysia Securities Berhad on 28 April 2008. The salient features of the Warrants 2008/2013 are disclosed in Note 29(c) to the financial statements.

The exercise price of Warrants 2008/2013 is adjusted from RM3.00 per ordinary share to RM2.50 per ordinary share in accordance with the provision of Deed Poll dated 12 March 2008 to ensure that the status of the holders of Warrants 2008/2013 is not prejudiced as a result of the issuance of Warrants 2011/2016.

During the financial year, 22,374 warrants were converted into 22,374 new ordinary shares of RM0.50 each at an exercise price of RM2.50 per ordinary share for cash. As at the year end of the financial year, 139,350,803 warrants remain unexercised.

WARRANTS 2011/2016

Pursuant to the issuance of the RM600 million nominal value of Serial Fixed Rate Bonds of up to 5 years, 157,935,129 detachable warrants rights were allotted and listed on the Main Board of Bursa Malaysia Securities Berhad on 18 March 2011. The salient features of the Warrants 2011/2016 are disclosed in Note 29(d) to the financial statements.

During the financial year, 723,432 warrants were converted into 723,432 new ordinary shares of RM0.50 each at an exercise price of RM2.75 per ordinary share for cash. As at the year end of the financial year, 157,211,697 warrants remain unexercised.

OTHER STATUTORY INFORMATION

(a) Before the statements of financial position, income statements and the statements of comprehensive income 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 all known bad debts had been written off 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:

 (i) if necessary to write off any bad debts or the amount written off for bad debts or the amount of the provision for doubtful debts 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.

OTHER STATUTORY INFORMATION *cont'd*

(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 has arisen since the end of the financial year.

(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 49 to the financial statements.

SUBSEQUENT EVENTS

Details of subsequent events are disclosed in Note 50 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 12 April 2012.

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, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 71 to 201 are drawn up in accordance with the provisions of the Companies Act, 1965 and 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 2011 and of their financial performance and the cash flows of the Group and of the Company for the financial year then ended.

The information set out in Note 53 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 12 April 2012.

TAING KIM HWA
Managing Director

GOH CHIN LIONG
Deputy Managing Director

STATUTORY DECLARATION

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

I, Chong Kian Fah, being the Officer primarily responsible for the financial management of WCT Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 71 to 201 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 Chong Kian Fah at
Kuala Lumpur in the Federal Territory
on 12 April 2012

CHONG KIAN FAH

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 statements of financial position as at 31 December 2011 of the Group and of the Company, the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows 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 71 to 201.

Directors’ responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view 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 judgement, 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 entity’s preparation of financial statements that give a true and fair view 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 entity’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 2011 and of their financial performance and cash flows for the year then ended.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 3.1(d) and Note 51 to the financial statements which describe a contract dispute which is subject to arbitration proceedings. The probable 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 (the "Act"), 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 of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 7 to the financial statements, being financial statements that have been included in the consolidated financial statements.

(c) We are satisfied that the financial statements 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.

(d) The auditors' reports on the financial statements 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

The supplementary information set out in Note 53 on pages 202 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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

LEE SENG HUAT
No. 2518/12/13 (J)
Chartered Accountant

Kuala Lumpur, Malaysia
12 April 2012

STATEMENTS OF FINANCIAL POSITION
as at 31 December 2011

		Group		Company	
			(Restated)		
		2011	2010	2011	2010
	Note	RM'000	RM'000	RM'000	RM'000
Non-current assets					
Property, plant and equipment	4	270,250	292,163	23,623	21,092
Land held for property development	5(a)	266,438	220,761	-	-
Investment properties	6	814,023	614,266	-	-
Investment in subsidiaries	7	-	-	504,647	497,255
Investment in associates	8	159,529	176,966	520	520
Investment in jointly controlled entities	9	-	-	134	134
Other investments	10	9,750	9,804	-	-
Concession assets	11	129,732	-	-	-
Trade receivables	13	374,640	389,324	47,886	39,467
Other receivables	14	261,584	233,966	6,462	-
Deferred tax assets	34	23,624	7,219	389	-
		2,309,570	1,944,469	583,661	558,468
Current assets					
Property development costs	5(b)	289,564	228,783	-	-
Inventories	12	51,431	74,393	10,853	14,925
Trade receivables	13	634,062	854,594	265,528	186,880
Other receivables	14	468,676	272,147	72,468	6,540
Due from related parties	15	1,012	4,223	988,736	744,133
Tax recoverable		11,234	12,468	2,953	2,967
Cash and cash equivalents	16	804,003	1,162,407	477,100	936,854
		2,259,982	2,609,015	1,817,638	1,892,299
Current liabilities					
Trade payables	18	562,346	802,505	15,616	15,547
Other payables	19	396,443	228,353	210,917	45,355
Due to related parties	15	-	-	164,951	312,538
Borrowings	20	466,059	505,439	153,120	334,899
Tax payable		6,718	1,136	-	-
		1,431,566	1,537,433	544,604	708,339
Net current assets		828,416	1,071,582	1,273,034	1,183,960
		3,137,986	3,016,051	1,856,695	1,742,428

STATEMENTS OF FINANCIAL POSITION
as at 31 December 2011
cont'd

		Group		Company	
			(Restated)		
		2011	2010	2011	2010
	Note	RM'000	RM'000	RM'000	RM'000
Financed by:					
Capital and reserves					
Share capital	29	402,604	393,471	402,604	393,471
Irredeemable Convertible Preference Shares	30	1,176	2,069	1,176	2,069
Share premium	31	414,206	379,869	414,206	379,869
Reserves	32	643,528	480,969	163,978	90,760
		1,461,514	1,256,378	981,964	866,169
Non-controlling interest	33	282,586	275,150	-	-
Total equity		1,744,100	1,531,528	981,964	866,169
Non-current liabilities					
Trade payables	18	89,732	105,176	3,834	-
Other payables	19	336,109	226,541	84,971	-
Due to related parties	15	-	-	30,973	-
Borrowings	20	917,740	1,127,422	754,953	875,894
Deferred tax liabilities	34	50,305	25,384	-	365
		1,393,886	1,484,523	874,731	876,259
		3,137,986	3,016,051	1,856,695	1,742,428

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

INCOME STATEMENTS
for the financial year ended 31 December 2011

		Group		Company	
			(Restated)		
		2011	2010	2011	2010
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	35	1,538,589	1,708,501	700,696	905,286
Cost of sales	36	(1,241,613)	(1,378,637)	(621,905)	(777,661)
Gross profit		296,976	329,864	78,791	127,625
Other operating income/(loss)	37	69,449	61,625	81,400	(5,349)
Administration expenses		(74,049)	(69,342)	(21,220)	(21,106)
Other expenses		(34,927)	(22,009)	(595)	(37,689)
Operating profit		257,449	300,138	138,376	63,481
Finance costs	38	(66,661)	(50,360)	(50,965)	(33,854)
Share of results of associates		16,750	16,993	-	-
Profit before taxation	39	207,538	266,771	87,411	29,627
Taxation	40	(44,609)	(47,949)	(7,364)	(11,996)
Profit after taxation		162,929	218,822	80,047	17,631
Attributable to:					
Equity holders of the Company		162,423	150,331	80,047	17,631
Non-controlling interest	33	506	68,491	-	-
		162,929	218,822	80,047	17,631
Earning per share attributable to equity holders of the Company (sen)					
- Basic	41 (i)	20.23	19.08		
- Fully diluted	41 (ii)	19.59	18.91		

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

STATEMENTS OF COMPREHENSIVE INCOME
for the financial year ended 31 December 2011

	Group	Group (Restated)	Company	Company
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Profit after taxation	162,929	218,822	80,047	17,631
Other comprehensive income/(loss) :-				
Currency translation differences arising from consolidation	3,230	(86,845)	-	-
Revaluation increase of freehold land and buildings	11,843	1,525	-	1,000
Transfer from general reserve in respect of a foreign entity	(1,178)	-	-	-
Other comprehensive income/(loss) for the year, net of tax	13,895	(85,320)	-	1,000
Total comprehensive income for the year	176,824	133,502	80,047	18,631
Total comprehensive income for the year attributable to :				
Equity holders of the Company	169,388	91,364	80,047	18,631
Non-controlling interest	7,436	42,138	-	-
	176,824	133,502	80,047	18,631

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2011

		Attributable to equity holders of the Company													
				Non-Distributable							Distributable				
		Share capital (Note 29)	Preference share (Note 30)	Share premium (Note 31)	Warrant reserve (Note 32)	Revaluation reserve (Note 32)	Other reserve (Note 32)	Capital reserve (Note 32)	Equity compensation reserve (Note 32)	Exchange reserve (Note 32)	General reserve (Note 32)	Retained profits (Note 32)	Total	Non-controlling interest (Note 33)	Total equity
	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group															
At 1 January 2010															
- as previously stated		388,856	3,718	369,256	34,689	6,440	535	2,846	8,117	(25,238)	2,616	462,129	1,253,964	233,012	1,486,976
- effect of adopting, FRS 139		-	-	-	-	-	-	-	-	-	-	(43,357)	(43,357)	-	(43,357)
- effect of adopting, IC Interpretation 12	2.2	-	-	-	-	-	-	-	-	-	-	(8,177)	(8,177)	-	(8,177)
At 1 January 2010, as restated		388,856	3,718	369,256	34,689	6,440	535	2,846	8,117	(25,238)	2,616	410,595	1,202,430	233,012	1,435,442
Profit for the financial year		-	-	-	-	-	-	-	-	-	-	150,331	150,331	68,491	218,822
Other comprehensive income/(loss)		-	-	-	-	1,525	-	-	-	(60,492)	-	-	(58,967)	(26,353)	(85,320)
Total comprehensive income/(loss) for the year		-	-	-	-	1,525	-	-	-	(60,492)	-	150,331	91,364	42,138	133,502
Dividends	42	-	-	-	-	-	-	-	-	-	-	(59,071)	(59,071)	-	(59,071)
Share options vested under ESOS	39(b)	-	-	-	-	-	-	-	10,959	-	-	-	10,959	-	10,959
Arising from share options exercised	29 & 31	2,965	-	7,756	-	-	-	-	-	-	-	-	10,721	-	10,721
Arising from conversion of ICPS	30	1,649	(1,649)	-	-	-	-	-	-	-	-	-	-	-	-
Arising from conversion of warrants	29 & 31	1	-	4	-	-	-	-	-	-	-	-	5	-	5
Transfer within reserve for ESOS exercised	31	-	-	2,852	-	-	-	-	(2,852)	-	-	-	-	-	-
Transfer within reserve for warrants exercised	31	-	-	1	(1)	-	-	-	-	-	-	-	-	-	-
Transfer within reserve		-	-	-	-	(30)	(59)	-	-	-	-	59	(30)	-	(30)
At 31 December 2010		393,471	2,069	379,869	34,688	7,935	476	2,846	16,224	(85,730)	2,616	501,914	1,256,378	275,150	1,531,528

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
for the financial year ended 31 December 2011
cont'd

		Attributable to equity holders of the Company													
				Non-Distributable							Distributable				
	Note	Share capital (Note 29) RM'000	Preference share (Note 30) RM'000	Share premium (Note 31) RM'000	Warrant reserve (Note 32) RM'000	Revaluation reserve (Note 32) RM'000	Other reserve (Note 32) RM'000	Capital reserve (Note 32) RM'000	Equity compensation reserve (Note 32) RM'000	Exchange reserve (Note 32) RM'000	General reserve (Note 32) RM'000	Retained profits (Note 32) RM'000	Total RM'000	Non-controlling interest (Note 33) RM'000	Total equity RM'000
At 1 January 2011															
- as previously stated		393,471	2,069	379,869	34,688	7,935	476	2,846	16,224	(85,730)	2,616	500,914	1,255,378	275,150	1,530,528
- effect of adopting, IC Interpretation 12	2.2	-	-	-	-	-	-	-	-	-	-	1,000	1,000	-	1,000
At 1 January 2011, as restated		393,471	2,069	379,869	34,688	7,935	476	2,846	16,224	(85,730)	2,616	501,914	1,256,378	275,150	1,531,528
Profit for the financial year		-	-	-	-	-	-	-	-	-	-	162,423	162,423	506	162,929
Other comprehensive income/(loss)		-	-	-	-	12,718	-	-	-	(4,575)	(1,178)	-	6,965	6,930	13,895
Total comprehensive income/(loss) for the year		-	-	-	-	12,718	-	-	-	(4,575)	(1,178)	162,423	169,388	7,436	176,824
Dividends	42	-	-	-	-	-	-	-	-	-	-	(60,354)	(60,354)	-	(60,354)
Share options vested under ESOS	39(b)	-	-	-	-	-	-	-	10,090	-	-	-	10,090	-	10,090
Arising from share options exercised	29 & 31	7,867	-	22,756	-	-	-	-	-	-	-	-	30,623	-	30,623
Arising from conversion of ICPS	30	893	(893)	-	-	-	-	-	-	-	-	-	-	-	-
Arising from conversion of warrants	29 & 31	373	-	1,673	-	-	-	-	-	-	-	-	2,046	-	2,046
Arising from issuance of warrants		-	-	-	53,343	-	-	-	-	-	-	-	53,343	-	53,343
Transfer within reserve for ESOS exercised	31	-	-	9,659	-	-	-	-	(9,659)	-	-	-	-	-	-
Transfer within reserve for warrants exercised	31	-	-	249	(249)	-	-	-	-	-	-	-	-	-	-
At 31 December 2011		402,604	1,176	414,206	87,782	20,653	476	2,846	16,655	(90,305)	1,438	603,983	1,461,514	282,586	1,744,100

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

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2011

				← Non-Distributable			→	Distributable	
	Note	Share capital (Note 29)	Preference share (Note 30)	Share premium (Note 31)	Warrant reserve (Note 32)	Revaluation reserve (Note 32)	Equity compensation reserve (Note 32)	Retained profits (Note 32)	Total equity
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Company									
At 1 January 2010									
- as previously stated		388,856	3,718	369,256	34,689	1,446	8,117	82,235	888,317
- effect of adopting, FRS 139		-	-	-	-	-	-	(3,208)	(3,208)
At 1 January 2010, as restated		388,856	3,718	369,256	34,689	1,446	8,117	79,027	885,109
Profit for the financial year		-	-	-	-	-	-	17,631	17,631
Other comprehensive income		-	-	-	-	1,000	-	-	1,000
Total comprehensive income for the year		-	-	-	-	1,000	-	17,631	18,631
Dividends	42	-	-	-	-	-	-	(59,071)	(59,071)
Share options vested under ESOS	39(b)	-	-	-	-	-	3,175	-	3,175
Share options vested under ESOS included in investment in subsidiaries	7	-	-	-	-	-	7,784	-	7,784
Arising from share options exercised	29 & 31	2,965	-	7,756	-	-	-	-	10,721
Arising from conversion of ICPS	30	1,649	(1,649)	-	-	-	-	-	-
Arising from conversion of warrants	29 & 31	1	-	4	-	-	-	-	5
Transfer within reserve for ESOS exercised	31	-	-	2,852	-	-	(2,852)	-	-
Transfer within reserve for warrants exercised	31	-	-	1	(1)	-	-	-	-
Transfer of reserve		-	-	-	-	(30)	-	(155)	(185)
At 31 December 2010		393,471	2,069	379,869	34,688	2,416	16,224	37,432	866,169
At 1 January 2011		393,471	2,069	379,869	34,688	2,416	16,224	37,432	866,169
Profit for the financial year		-	-	-	-	-	-	80,047	80,047
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-	-	80,047	80,047
Dividends	42	-	-	-	-	-	-	(60,354)	(60,354)
Share options vested under ESOS	39(b)	-	-	-	-	-	2,748	-	2,748
Share options vested under ESOS included in investment in subsidiaries	7	-	-	-	-	-	7,342	-	7,342
Arising from share options exercised	29 & 31	7,867	-	22,756	-	-	-	-	30,623
Arising from conversion of ICPS	30	893	(893)	-	-	-	-	-	-
Arising from conversion of warrants	29 & 31	373	-	1,673	-	-	-	-	2,046
Arising from issuance of warrants		-	-	-	53,343	-	-	-	53,343
Transfer within reserve for ESOS exercised	31	-	-	9,659	-	-	(9,659)	-	-
Transfer within reserve for warrants exercised	31	-	-	249	(249)	-	-	-	-
At 31 December 2011		402,604	1,176	414,206	87,782	2,416	16,655	57,125	981,964

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

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2011

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before taxation	207,538	266,771	87,411	29,627
Adjustments for:				
Interest income	(22,545)	(10,356)	(36,676)	(24,497)
Dividend income	-	-	(33,405)	(86,175)
Interest expense	66,661	50,360	50,965	33,854
Net unrealised foreign exchange (gains)/losses	(29,035)	13,038	(28,614)	25,207
Provision for building maintenance	-	82	-	-
Provision for doubtful debts				
- third parties	4,844	228	-	-
Property, plant and equipment				
- depreciation	9,104	16,329	1,149	1,466
- gain on disposal	(811)	(110)	(174)	(430)
- written off	-	31	-	-
Bad debts written off	114	-	-	50
Write back of provision for doubtful debts	(7,551)	(184)	(6,735)	-
Gain on disposal of investment properties	(495)	(300)	-	-
Write down in value of properties stock	-	903	-	903
Share options granted under ESOS	10,090	10,959	2,748	3,175
Share of results in associates	(16,750)	(16,993)	-	-
Provision of foreseeable losses for				
- contract work in progress	795	21,147	-	-
Impairment loss on				
- other investment	54	-	-	-
Finance (income)/expense from loan and receivables	(9,310)	(11,317)	1,796	1,275
Revaluation deficit on property, plant and equipment	-	200	-	-
Revaluation adjustment	-	155	-	-
Fair value gain on investment properties	(14,260)	(46,793)	-	-
Operating profit/(loss) before working capital changes	198,443	294,150	38,465	(15,545)
Development expenditure	(103,544)	(33,935)	-	-
Related parties	3,211	1,029	(361,217)	178,161
Inventories	22,962	38,413	4,072	448
Receivables	81,148	357,675	(123,188)	(137,217)
Payables	22,238	(610,950)	254,619	15,594
Cash flows generated from/(used in) operations	224,458	46,382	(187,249)	41,441
Interest paid	(50,720)	(41,794)	(32,110)	(25,288)
Interest received	22,545	10,356	36,676	24,497
Taxation paid	(32,768)	(13,827)	(8,104)	(9,514)
Net cash generated from/(used in) operating activities	163,515	1,117	(190,787)	31,136

STATEMENTS OF CASH FLOWS
for the financial year ended 31 December 2011
cont'd

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities				
Dividend received	-	-	33,405	86,175
Purchase of property, plant and equipment	(15,523)	(37,975)	(7,294)	(8,929)
Purchase of investment properties	(186,409)	(67,150)	-	-
Concession assets	(129,732)	-	-	-
Investments in				
- subsidiary companies	-	-	(50)	-
Refund of share application monies from associates	20,882	-	-	-
Withdrawal/(placement) in				
- FSRA account	21	(615)	21	(615)
- redemption account	119	407	-	-
Proceeds from disposal of				
- property, plant and equipment	23,612	34,524	2,071	706
- investment properties	1,407	15,600	-	-
Net cash (used in)/generated from investing activities	(285,623)	(55,209)	28,153	77,337
Cash flows from financing activities				
Dividends paid	(60,354)	(59,071)	(60,354)	(59,071)
Proceeds from term loans	128,888	79,855	-	-
Proceeds from Islamic MTN	-	100,000	-	100,000
Proceeds from Bonds	-	547,704	-	547,704
Proceeds from share options exercised	30,623	10,721	30,623	10,721
Proceeds from conversion of warrants	2,046	5	2,046	5
Proceeds from issuance of warrants	53,698	-	53,698	-
Payments to hire purchase payables	(14,491)	(15,779)	(317)	(373)
Proceeds from/(repayment of) bankers acceptance and revolving credits	6,159	254	5,139	(1,217)
Repayment of term loans	(69,073)	(69,560)	-	-
Repayment of Islamic MTN	(200,000)	-	(200,000)	-
Repayment of BAIDS	(30,000)	(30,000)	(30,000)	(30,000)
Repayment of SUKUK	(100,000)	-	(100,000)	-
Incidental costs of issuance of warrants	(355)	-	(355)	-
Incidental costs of issuance of Bonds	-	(1,849)	-	(1,849)
Net cash (used in)/generated from financing activities	(252,859)	562,280	(299,520)	565,920

STATEMENTS OF CASH FLOWS
for the financial year ended 31 December 2011
cont'd

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Net (decrease)/increase in cash and cash equivalents	(374,967)	508,188	(462,154)	674,393
Exchange differences	13,953	(55,472)	(549)	905
Cash and cash equivalents at beginning of the financial year	1,149,694	696,978	932,916	257,618
Cash and cash equivalents at end of the financial year	788,680	1,149,694	470,213	932,916

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the statements of financial position date:

		Group		Company	
		2011	2010	2011	2010
	Note	RM'000	RM'000	RM'000	RM'000
Deposits with licensed discount houses	16	3,001	2,918	3,001	2,918
Deposits with licensed banks	16	515,428	932,664	440,046	889,902
Cash held under Housing Development Accounts	17	129,357	62,127	-	-
Cash and bank balances	17	151,530	159,871	30,136	40,096
Bank overdrafts	22	(10,636)	(7,886)	(2,970)	-
		788,680	1,149,694	470,213	932,916

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 with licensed bank of the Group and of the Company amounting to RM22,729,130 (2010: RM18,887,678) and RM14,090,283 (2010: RM13,778,290) respectively are pledged to banks to secure banking facilities.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011

1. CORPORATION INFORMATION

WCT Berhad (the "Company") is a public limited company, incorporated and domiciled in Malaysia, and listed on the Main Market 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 and property holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries, associates and jointly controlled entities are disclosed in Notes 7, 8 and 9 to the financial statements respectively.

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

The financial statements were authorised for issue in accordance with a resolution of the Directors on 12 April 2012.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRS which are mandatory for financial periods beginning on or after 1 January 2011 as described fully in Note 2.2.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2011, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2011.

- FRS 1: *First-time Adoption of Financial Reporting Standards*
- FRS 3: *Business Combinations (revised)*
- Amendments to FRS 1: *Additional Exemption for First-time Adoption*
- Amendments to FRS 1: *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*
- Amendments to FRS 2: *Share-based Payment*
- Amendments to FRS 2: *Group Cash-settled Share-based Payment Transactions*
- Amendments to FRS 5: *Non-current Assets Held for Sale and Discontinued Operations*
- Amendments to FRS 127: *Consolidated and Separate Financial Statements*
- Amendments to FRS 132: *Classification of Rights Issues*

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.2 Changes in accounting policies *cont'd*

- Amendments to FRS 138: *Intangible Assets*
- Amendments to FRS 7: *Improving Disclosures about Financial Instruments*
- Amendments to IC Interpretation 9: *Reassessment of Embedded Derivatives*
- IC Interpretation 4: *Determining whether an Arrangement contains a Lease*
- IC Interpretation 12: *Service Concession Arrangements*
- IC Interpretation 16: *Hedges of a Net Investment in a Foreign Operation*
- IC Interpretation 17: *Distributions of Non-cash Assets to Owners*
- IC Interpretation 18: *Transfers of Assets from Customers*
- Improvements to FRSs issued in 2010
- TR i-4: *Syariah Compliant Sale Contracts*

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and the Company except for those discussed below:

Revised FRS 3: *Business Combination*

The revised standards are effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in accounting for business combinations occurring after 1 July 2010. These changes impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

The revised FRS 3 continues to apply the acquisition method to business combinations but with some significant changes. All payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the statements of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed.

The revised FRS 3 requires goodwill to be determined only at the acquisition date of controlling interest rather than at the previous stages. The determination of goodwill includes the previously held equity interest to be adjusted to fair value, with any gain or loss recorded in the income statements.

The adoption of the revised FRS 3 does not have any impact on the Group's consolidated financial statements.

FRS 127 : *Consolidated and Separate Financial Statements*

This Standard supersedes the existing FRS 127 and replaces the current term 'minority interest' with a new term 'non-controlling interest' which is defined as the equity in a subsidiary that is not indirectly, to a parent. Accordingly, total comprehensive income shall be attributed to the owners of the parent attributable, directly and or to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. If the Group losses control of a subsidiary, any gains or losses are recognised in profit or loss and any investment retained in the former subsidiary shall be measured at its fair value at the date when control is lost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.2 Changes in accounting policies *cont'd*

FRS 127 : *Consolidated and Separate Financial Statements* *cont'd*

The Group rephrased its minority interests as non-controlling interests and remeasured the non-controlling interests prospectively in accordance with the transitional provisions of the revised FRS 127.

The adoption of the revised FRS 127 does not have any impact on the Group's consolidated financial statements.

Amendments to FRS 7: *Improving Disclosures about Financial Instruments*

The amended standard requires enhanced disclosure about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy (Level 1, Level 2 and Level 3), by class, for all financial instruments recognised at fair value. A reconciliation between the beginning and ending balance for Level 3 fair value measurements is required. Any significant transfers between levels of the fair value hierarchy and the reasons for those transfers need to be disclosed. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in Note 47(d).

IC Interpretation 12: *Service Concession Arrangements*

The new IC Interpretation 12 applies to service concession operators and explains how to account for the obligations undertaken and rights received in service concession arrangements. Consideration given by the grantor to the operator may be rights to a financial asset or an intangible asset. The operator shall recognise a financial asset model to the extent that it has unconditional right to receive cash or another financial asset from or at the discretion of the grantor for the construction services. The operator shall recognise an intangible asset to the extent that it receives a right (a licence) to charge users of the public service.

For financial asset model, the amount due from grantor is accounted as receivable under FRS 139, and requires interest calculated using the effective interest method to be recognised in profit or loss. Intangible asset with a finite useful life shall be amortised on a systematic basis over its useful life.

Where the operator has contractual obligations to maintain and restore infrastructure that it must fulfill as a condition of its licence, these obligations are recognised and measured at the best estimate of the expenditure that would be required to settle the present obligation at the end of the reporting period.

Pursuant to IC Interpretation 12, the Group has applied the Interpretation retrospectively.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.2 Changes in accounting policies *cont'd*

IC Interpretation 12: *Service Concession Arrangements* *cont'd*

The following are effects arising from the above changes in accounting policies:

	Group Increase/ (decrease) 2011 RM'000
Consolidated statements of financial position	
Investment in associates	419
Retained profits	419
Consolidated statements of comprehensive income	
Share of results of associates	(581)
Profit before tax	(581)
Profit for the year	(581)

The following comparatives have been restated:

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
Consolidated statements of financial position			
31 December 2010			
Investment in associates	175,966	1,000	176,966
Retained profits	500,914	1,000	501,914
1 January 2010			
Investment in associates	181,113	(8,177)	172,936
Retained profits	418,772	(8,177)	410,595
Consolidated statements of comprehensive income			
Share of results of associates	7,816	9,177	16,993
Profit before tax	257,594	9,177	266,771
Profit for the year	209,645	9,177	218,822
Profit attributable to equity holders of the Company	141,154	9,177	150,331

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
• IC Interpretation 19: *Extinguishing Financial Liabilities with Equity Instruments*	1 July 2011
• Amendments to IC Interpretation 14: *Prepayment of a Minimum Funding Requirement*	1 July 2011
• FRS 124: *Related Party Disclosures (Revised)*	1 January 2012
• Amendments to FRS 1: *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*	1 January 2012
• Amendments to FRS 7: *Disclosure - Transfers of Financial Assets*	1 January 2012
• Amendments to FRS 112: *Deferred Tax Recovery of Underlying Assets*	1 January 2012
• Amendments to FRS 101: *Presentation of Items of Other Comprehensive Income*	1 January 2012
• FRS 9: *Financial Instruments* (IFRS 9 issued by IASB in Nov 2009)	1 January 2013
• FRS 9: *Financial Instruments* (IFRS 9 issued by IASB in Oct 2010)	1 January 2013
• FRS 10: *Consolidate Financial Statements*	1 January 2013
• FRS 11: *Joint Arrangements*	1 January 2013
• FRS 12: *Disclosure of Interest in Other Entities*	1 January 2013
• FRS 13: *Fair Value Measurement*	1 January 2013
• FRS 119: *Employee Benefits (Revised)*	1 January 2013
• FRS 127: *Separate Financial Statements (Revised)*	1 January 2013
• FRS 128: *Investment in Associates and Joint Ventures (Revised)*	1 January 2013
• IC Interpretation 20: *Stripping Costs in the Production Phase of a Surface Mine*	1 January 2013
• Amendments to FRS 7: *Disclosures - Offsetting Financial Assets and Financial Liabilities*	1 January 2013
• Amendments to FRS 132: *Offsetting Financial Assets and Financial Liabilities*	1 January 2014
• FRS 9: *Financial Instruments*	1 January 2015

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.3 Standards issued but not yet effective *cont'd*

The Directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application, except as disclosed below:

Amendments to FRS 7: *Transfers of Financial Assets*

The amendments require additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Group's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendments requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendment affects disclosure only and has no impact on the Group's financial position or performance.

Amendments to FRS 112: *Deferred Tax: Recovery of Underlying Assets*

The amendments clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in FRS 140 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in FRS 116 to be always measured on a sale basis of that asset.

FRS 9: *Financial Instruments*

FRS 9 reflects the first phase of work on the replacement of FRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The adoption of this first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets but will potentially have no impact on classification and measurements of financial liabilities. The Group is in the process of making an assessment of the impact of adoption of FRS 9.

FRS 10: *Consolidated financial statements*

FRS 10 replaces the portion of FRS 127 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. FRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in FRS 127.

FRS 11: *Joint Arrangements*

FRS 11 replaces FRS 131 Interests in Joint Ventures and IC Interpretation 113 Jointly-controlled Entities – Non-monetary Contributions by Venturers.

FRS 11 removes the option to account for jointly controlled entities ("JCE") using proportionate consolidation. Instead, JCE that meet the definition of a joint venture must be accounted for using the equity method.

The application of this new standard will impact the financial position of the Group. This is due to the cessation of proportionate consolidation of Segi Astana Sdn. Bhd.. This investment will be equity accounted for.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.3 Standards issued but not yet effective *cont'd*

FRS 12: *Disclosure of Interests in Other Entities*

FRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

FRS 13: *Fair Value Measurement*

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted. The Group is currently assessing the impact of adoption of FRS 13.

FRS 127: *Separate Financial Statements*

As a consequence of the new FRS 10 and FRS 12, FRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

FRS 128: *Investments in Associates and Joint Ventures*

As a consequence of the new FRS 11 and FRS 12, FRS 128 is renamed as FRS 128 Investments in Associates and Joint Ventures. This new standard describes the application of the equity method to investments in joint ventures in addition to associates.

Amendments to FRS 7: *Disclosures - Offsetting Financial Assets and Financial Liabilities*

The amendments require additional information to be disclosed to enable users of financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. The amendment affects disclosure only and has no impact on the Group's financial position or performance.

Amendments to FRS 132: *Offsetting Financial Assets and Financial Liabilities*

The amendments to FRS 132 clarified that a legally enforceable right to set-off is a right of set-off that must not be contingent on a future event; and must be legally enforceable in the normal course of business, the event of default and the event of insolvency or bankruptcy of the entity and all of the counterparties. The amendments further clarified that an entity will meet the net settlement criterion as provided in FRS 132 if the entity can settle amounts in a manner that the outcome is, in effect, equivalent to net settlement.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.3 Standards issued but not yet effective *cont'd*

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework). The MFRS Framework comprises Standards as issued by the International Accounting Standards Board (IASB) that are effective on 1 January 2012. It also comprises new/revised Standards that will be effective after 1 January 2012. All other Standards under the FRS framework where no new/revised Standards that will be effective after 1 January 2012 will transition to MFRS framework with no further amendments.

The MFRS Framework is to be applied to all entities other than private entities with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estates. IC Interpretation 15 which was suppose to be effective for periods beginning on or after 1 January 2012 was withdrawn.

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

The Group falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2013. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2013.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination 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 business combination.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.4 Basis of consolidation *cont'd*

Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statements of financial position. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition.

When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

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.

2.5 Transactions with non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statements of comprehensive income and within equity in the consolidated statements of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

2.6 Foreign currency

(a) 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.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.6 Foreign currency *cont'd*

(b) Foreign currency transactions *cont'd*

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation 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.

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations 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 reporting date.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, 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.

Subsequent to recognition, plant and equipment and furniture and fixtures are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. Freehold buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the freehold land and buildings at the reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.7 Property, plant and equipment *cont'd*

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

- Buildings	: 50 years	- Furniture and fittings	: 5 to 10 years
- Plant and machinery	: 2 to 11 years	- Marine plant, tug and barges	: 5 years
- Motor vehicles	: 3 to 7 years	- Renovations	: 6 to 7 years
- Office equipment	: 2 to 10 years		

Assets under construction included in plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.8 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the reporting date. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuer having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Gains or losses arising from changes in the fair values of investment properties are included 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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.8 Investment properties *cont'd*

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

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.7 up to the date of change in use.

Investment property under construction ("IPUC") is measured at fair value (when the fair value is reliably determinable). When assessing whether the fair value of IPUC can be determined reliably the Company considers, among other things:

1. Construction of the asset in a developed liquid market.
2. Signing of a construction contract with the contractor.
3. Obtaining the required building and letting permits.
4. The percentage of rentable area that has been pre-leased to tenants.

IPUC for which fair value cannot be determined reliably is measured at cost less impairment.

The fair value of IPUC were determined at the end of the reporting period based on the opinion of a qualified independent valuer and valuations were performed using either the residual method approach or disclosed cash flow approach, as deemed appropriate by the valuer. Each IPUC is individually assessed.

The estimated value of future assets is based on the expected future income from the project, using risk adjusted yields that are higher than the current yields of similar completed property. The remaining expected costs of completion plus margin are deducted from the estimated future assets value.

2.9 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.9 Impairment of non-financial assets *cont'd*

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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 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.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

2.10 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.11 Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An 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.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is measured in the statements of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment. 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 for the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.11 Associates *cont'd*

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Company's separate financial statements, investments in associates 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.

2.12 Jointly controlled entities

Jointly controlled entities are contractual arrangements whereby two or more parties undertake an economic activity that is subject to joint control, where the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. The Group recognises its interest in jointly controlled entities using proportionate consolidation. The Group combines its share of each of the assets, liabilities, income and expenses of the jointly controlled entities with the similar items, line by line, in its consolidated financial statements. The jointly controlled entities are proportionately consolidated from the date the Group obtains joint control until the date the Group ceases to have joint control over the jointly controlled entities.

Adjustments are made in the Group's consolidated financial statements to eliminate the Group's share of intra-group balances, income and expenses and unrealised gains and losses on transactions between the Group and its jointly controlled entities.

The financial statements of the jointly controlled entities are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies into line with those of the Group.

In the Company's separate financial statements, its investment in jointly controlled entities are stated at cost less impairment losses. On disposal of such investment, the difference between net disposal proceeds and the carrying amount is included in profit or loss.

2.13 Other non-current investments

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.14 Intangible assets

Intangible assets represent cost incurred by the Group to obtain the Concession, which includes the construction of the Integrated Complex and cost paid to obtain the right to use the land for the Concession.

Upon the completion of Integrated Complex, the total cost capitalised will be amortised over the remaining period of the Concession and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation expense on the intangible assets is recognised in the profit and loss.

2.15 Service concession arrangements

The Group recognises revenue from the construction and upgrading of the infrastructure in accordance with its accounting policy for construction contracts set out in Note 2.19. Where the Group performs more than one service under the arrangement, consideration received or receivable is allocated to the components by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

The Group recognises the consideration received or receivable as a financial asset to the extent that it has an unconditional right to receive cash or another financial asset for the construction services. Financial assets are accounted for in accordance with the accounting policy set out in Note 2.16.

The Group recognises the consideration receivable as an intangible asset to the extent that it receives a right to charge users of the public service. Intangible assets are accounted for in accordance with the accounting policy set out in Note 2.14.

Subsequent costs and expenditures related to infrastructure and equipment arising from the Group's commitments to the concession contracts or that increase future revenue are recognised as additions to the intangible asset and are stated at cost. Capital expenditures necessary to support the Group's operation as a whole are recognised as property and equipment, and accounted for in accordance with the policy stated under property and equipment in Note 2.7. When the Group has contractual obligations that it must fulfill as a condition of its license to: a) maintain the infrastructure to a specified standard or, b) to restore the infrastructure when the infrastructure has deteriorated below a specified condition, it recognises and measures these contractual obligations in accordance with the accounting policy for provisions in Note 2.22. Repairs and maintenance and other expenses that are routine in nature are expensed and recognised in the profit or loss as incurred.

2.16 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.16 Financial assets *cont'd*

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

(a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend incomes. Exchange differences, interest and dividend incomes on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(c) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity investments when the Group has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.16 Financial assets *cont'd*

(d) Available-for-sale financial assets

Available-for-sale are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

2.17 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.17 Impairment of financial assets *cont'd*

(a) Trade and other receivables and other financial assets carried at amortised cost *cont'd*

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on a financial asset carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

2.18 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.19 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.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expense 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.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

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.

2.20 Land held for property development and property development costs

(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 profit or loss 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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.20 Land held for property development and property development costs *cont'd*

(ii) Property development costs *cont'd*

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 profit or loss over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings within trade payables.

2.21 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.

2.22 Provisions

Provisions for liabilities are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If 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. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.23 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

(b) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables, loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.24 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.25 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.26 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.

The 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.

2.27 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 were channelled 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 earnings.

The SUKUK is initially recognised based on the proceeds received, net of transaction costs incurred. In subsequent periods, SUKUK is stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statements over the period of the borrowings.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.28 Islamic Medium Term Notes ("IMTN")

The IMTNs were issued in accordance with the Islamic financing concept of Musyarakah. In accordance with such concept, IMTNs are initially recognised at the fair value of the consideration received less direct attributable transaction costs.

2.29 Bonds with Warrants ("Bonds")

The Bonds were issued in accordance with a subscription agreement entered into between the Company and the Primary Subscribers. Subsequently, the provisional rights to allotment of the warrants were detached from the Bonds where the Primary Subscribers will undertake a private placement of the Bonds (without the warrants) to secondary investors. The Primary Subscribers will then undertake an offer for sale of the provisional rights to allotment of the warrants.

The Bonds is initially recognised based on the proceeds received, net of transaction costs incurred. In subsequent periods, the Bonds is stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statements over the life of the Bonds.

2.30 Employee benefits

(a) 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.

(b) Defined contribution plans

The Group participates in the national pension scheme as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension scheme are recognised as an expense in the period in which the related service is performed.

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 statements 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 as and when it occurs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.30 Employee benefits *cont'd*

(c) Share-based compensation

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

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

2.31 Leases

(a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.31 Leases *cont'd*

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.32(g).

2.32 Revenue

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. Revenue is measured at the fair value of consideration received or receivable.

(a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. 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.

(b) Sale of properties

Revenue from sale of properties is accounted for by the stage of completion method as described in Note 2.20(ii).

(c) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.19.

(d) Interest income

Interest income is recognised using the effective interest method.

(e) Management fees

Management fees are recognised when services are rendered.

(f) Dividend income

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

(g) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.32 Revenue *cont'd*

(h) Hiring of machineries

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

(i) Car park income

Car park income is recognised on an accruals basis upon completion of usage of car park spaces.

(j) Hotel income

Room income is recognised based on an accruals basis unless collection is in doubt, in which case it is recognised based on receipt basis.

Revenue from the sales of food and beverage is recognised based on invoiced value of goods sold.

2.33 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.33 Income taxes *cont'd*

(b) Deferred tax *cont'd*

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.34 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 52, including the factors used to identify the reportable segments and the measurement basis of segment information.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.35 Equity instrument

(a) Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(b) Preference shares

Preference shares are recorded at the amount of proceeds received, net of transaction costs. 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 statements as interest expense. Preference shares that are compound instruments are split into liability and equity components. Each component is accounted for separately.

2.36 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

3. 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.

3.1 Critical judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(a) 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.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS *cont'd*

3.1 Critical judgements made in applying accounting policies *cont'd*

(a) Classification between investment properties and property, plant and equipment *cont'd*

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.

(b) Contract variations

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

(c) Percentage-of-completion

The Group uses the percentage-of-completion method in accounting for its construction contract services. The 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 percentage-of-completion.

(d) Arbitration proceedings

Note 51 describes a contract dispute that is currently in process between a jointly controlled entity in which the Company, through its Dubai Branch, has a 50% share (the "Arabtec-WCT Joint Venture") and the contract owner. The calling of the Performance Security and its encashment, 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 Performance Security as amounts receivable from the contract owner pending resolution of the dispute.

In making this judgement, the Directors considered the criteria in The Framework for the Preparation and Presentation of Financial Statements and in conjunction 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 Performance 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.

In the view of the Directors, the contract termination and call on the Performance Securities were not justified, and following receipt of legal opinion on the arbitration proceedings initiated by the Arabtec-WCT Joint Venture, the Directors believe that the outcome of the proceedings will be favorable and had recognised the amount of the Performance Security 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 Performance Securities.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS *cont'd*

3.1 Critical judgements made in applying accounting policies *cont'd*

(e) 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, labour costs and other costs are included in the construction cost based on estimates.

(f) Allowance for slow-moving inventories

Inventories are stated at the lower of cost or market value. 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, physical deterioration and quality issues. The net realisable value of the inventories is disclosed in Note 12.

(g) Impairment of loans and receivables

The Group recognises an allowance for doubtful debts when there is objective evidence that the Group will not be able to collect all amounts due according to the original term of receivables.

Significant judgement is required in the assessment of the recoverability of receivables. To the extent that actual recoveries deviate from management's estimates, such variances may have a material impact on the income statements. Based on management's assessment, management believes that the current level of allowance for doubtful debts is adequate. In addition, management is also rigorously monitoring the recoverability of these receivables.

(h) 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.

(i) Expected losses on construction contracts

The Group recognises expected losses from a construction contract when it is probable that total contract costs exceed total revenue. In determining expected losses, the Group engages professional valuer to determine the total expected cost of a particular project (including total cost to complete) as well as the total revenue from the project (including any probable variation orders).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS *cont'd*

3.2 Key sources of estimation and uncertainty

The key assumptions concerning the future and other key sources of estimation and uncertainty at the statements of financial position, 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:

(a) Construction contracts and property development

The Group recognises construction contracts and property development revenue and expenses in the income statements 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 percentage of 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, the percentage of 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.

The carrying amounts of the Group's construction contracts and property development activities are disclosed in Note 13(b) and Note 5(b) respectively.

(b) 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.

(c) Impairment of investments

The Directors determine whether the carrying amounts of its investments are impaired at statements of financial position. This involves measuring the recoverable amounts which include 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 5% to 7% (2010: 5% to 7%). 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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS *cont'd*

3.2 Key sources of estimation and uncertainty *cont'd*

(c) Impairment of investments *cont'd*

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

(d) 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 29(b).

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

4. PROPERTY, PLANT AND EQUIPMENT

Group	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
As at 31 December 2011								
Cost/valuation								
At 1 January 2011	30,038	62,780	344,747	58,018	57,621	-	-	553,204
Additions	-	-	12,439	6,621	4,130	-	-	23,190
Reclassification	-	8,687	6,713	-	(15,400)	-	-	-
Disposals	-	-	(65,260)	(10,644)	(4,059)	-	-	(79,963)
Revaluation surplus	3,802	11,532	-	-	-	-	-	15,334
Exchange differences	485	260	4,238	327	467	-	-	5,777
At 31 December 2011	34,325	83,259	302,877	54,322	42,759	-	-	517,542
Accumulated depreciation and impairment								
At 1 January 2011	-	1,329	200,484	28,870	30,358	-	-	261,041
Depreciation charge for the financial year	-	1,047	29,932	4,582	4,657	-	-	40,218
Reclassification	-	1,962	1,085	-	(3,047)	-	-	-
Disposals	-	-	(46,229)	(7,753)	(3,180)	-	-	(57,162)
Exchange differences	-	17	2,641	182	355	-	-	3,195
At 31 December 2011	-	4,355	187,913	25,881	29,143	-	-	247,292
Net carrying amount								
At 31 December 2011	34,325	78,904	114,964	28,441	13,616	-	-	270,250

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

4. PROPERTY, PLANT AND EQUIPMENT *cont'd*

Group	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
As at 31 December 2010								
Cost/valuation								
At 1 January 2010	28,423	10,889	413,514	60,083	35,366	16,941	120,220	685,436
Additions	2,093	20,833	26,070	6,170	24,908	1,579	-	81,653
Transferred to investment properties (Note 6)	-	-	-	-	-	-	(88,180)	(88,180)
Transferred to buildings	-	32,040	-	-	-	-	(32,040)	-
Disposals	-	-	(67,102)	(5,918)	(563)	(17,637)	-	(91,220)
Written off	-	-	-	(144)	-	-	-	(144)
Revaluation surplus	1,325	-	-	-	-	-	-	1,325
Elimination of accumulated depreciation on revaluation	-	(300)	-	-	-	-	-	(300)
Exchange differences	(1,803)	(682)	(27,735)	(2,173)	(2,090)	(883)	-	(35,366)
At 31 December 2010	30,038	62,780	344,747	58,018	57,621	-	-	553,204
Accumulated depreciation and impairment								
At 1 January 2010	-	458	209,461	27,465	23,154	9,654	-	270,192
Depreciation charge for the financial year	-	1,030	47,888	5,920	8,998	1,004	-	64,840
Disposals	-	-	(42,775)	(3,434)	(442)	(10,155)	-	(56,806)
Written off	-	-	-	(113)	-	-	-	(113)
Elimination of accumulated depreciation on revaluation	-	(115)	-	-	-	-	-	(115)
Exchange differences	-	(44)	(14,090)	(968)	(1,352)	(503)	-	(16,957)
At 31 December 2010	-	1,329	200,484	28,870	30,358	-	-	261,041
Net carrying amount								
At 31 December 2010	30,038	61,451	144,263	29,148	27,263	-	-	292,163

4. PROPERTY, PLANT AND EQUIPMENT *cont'd*

Company	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
As at 31 December 2011						
Cost/valuation						
At 1 January 2011	4,400	3,800	6,098	8,078	6,306	28,682
Additions	-	-	4,663	1,356	1,725	7,744
Disposals	-	-	(1,210)	(1,658)	(661)	(3,529)
Exchange differences	-	-	551	71	57	679
At 31 December 2011	4,400	3,800	10,102	7,847	7,427	33,576
Accumulated depreciation and impairment						
At 1 January 2011	-	-	256	3,071	4,263	7,590
Depreciation charge for the financial year	-	76	2,116	729	944	3,865
Disposals	-	-	(17)	(1,067)	(548)	(1,632)
Exchange differences	-	-	112	9	9	130
At 31 December 2011	-	76	2,467	2,742	4,668	9,953
Net carrying amount						
At 31 December 2011	4,400	3,724	7,635	5,105	2,759	23,623

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

4. PROPERTY, PLANT AND EQUIPMENT *cont'd*

Company	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
As at 31 December 2010						
Cost/valuation						
At 1 January 2010	3,400	4,100	197	6,998	5,857	20,552
Additions	-	-	6,657	1,832	676	9,165
Disposals	-	-	(45)	(551)	(125)	(721)
Revaluation surplus	1,000	-	-	-	-	1,000
Elimination of accumulated depreciation on revaluation	-	(300)	-	-	-	(300)
Exchange differences	-	-	(711)	(201)	(102)	(1,014)
At 31 December 2010	4,400	3,800	6,098	8,078	6,306	28,682
Accumulated depreciation and impairment						
At 1 January 2010	-	82	197	2,884	3,630	6,793
Depreciation charge for the financial year	-	33	80	609	744	1,466
Disposals	-	-	-	(379)	(66)	(445)
Elimination of accumulated depreciation on revaluation	-	(115)	-	-	-	(115)
Exchange differences	-	-	(21)	(43)	(45)	(109)
At 31 December 2010	-	-	256	3,071	4,263	7,590
Net carrying amount						
At 31 December 2010	4,400	3,800	5,842	5,007	2,043	21,092

4. PROPERTY, PLANT AND EQUIPMENT *cont'd*

(a) Freehold land is carried at valuation. Freehold buildings are carried at valuation less accumulated depreciation. All other categories of property, plant and equipment are carried at costs less accumulated depreciation. Certain freehold land and buildings in Malaysia were revalued on 31 December 2010 by the Directors based on the valuation performed by Henry Butcher, Malaysia (SEL.) Sdn. Bhd., members of the Institution of Surveyors, Malaysia. Freehold land and buildings in Bahrain were revalued on 31 December 2011 by Directors based on valuation performed by Carlton Real Estate. Valuations were made using comparison method on the basis of open market value.

The Directors do not foresee the fair value of other freehold land and buildings in Malaysia to be materially different from the valuation done on 31 December 2010.

If the freehold land and buildings were measured using the cost model, the carrying amounts as at 31 December 2011 would have been as follows:

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Freehold land and buildings				
Cost	32,310	32,310	7,178	7,178
Accumulated depreciation	(2,214)	(1,713)	(1,662)	(1,558)
Net book value	30,096	30,597	5,516	5,620

Analysis of valuation of freehold land and buildings is as follows:

	Freehold land		Buildings	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Group				
Valuation	35,928	32,126	84,090	63,871
Accumulated depreciation	-	-	(4,691)	(1,682)
Exchange difference	(1,603)	(2,088)	(495)	(738)
	34,325	30,038	78,904	61,451
Company				
Valuation	4,400	4,400	3,800	3,800
Accumulated depreciation	-	-	(76)	-
	4,400	4,400	3,724	3,800

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

4. PROPERTY, PLANT AND EQUIPMENT *cont'd*

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

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Cash	15,523	37,975	7,294	8,929
Hire purchase	7,667	19,324	450	236
Payables	-	24,354	-	-
	23,190	81,653	7,744	9,165

Net carrying amounts of the property, plant and equipment held under hire purchase are as follows:

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Machineries	27,997	31,567	-	-
Motor vehicles	11,802	13,344	1,527	1,436
	39,799	44,911	1,527	1,436

(c) The freehold land and buildings with an aggregate carrying amount of RM78,180,000 (2010: RM56,192,269) are pledged to a financial institution for term loan obtained as disclosed in Note 24.

5. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land held for property development

	Freehold land	Leasehold land	Development costs	Total
	RM'000	RM'000	RM'000	RM'000
Group				
Cost				
At 1 January 2010	84,220	21,127	81,930	187,277
Transferred (to)/from property development costs (Note 5(b))	(18,257)	3,018	(4,210)	(19,449)
Transferred to investment properties (Note 6)	-	-	(1,682)	(1,682)
Additions	43,300	-	11,315	54,615
At 31 December 2010	109,263	24,145	87,353	220,761
Transferred to property development costs (Note 5(b))	(31,853)	-	(27,496)	(59,349)
Additions	53,026	5,000	47,000	105,026
At 31 December 2011	130,436	29,145	106,857	266,438

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

5. 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 2011				
Cumulative property development costs				
At 1 January 2011	91,902	70,582	285,280	447,764
Cost incurred during the financial year	878	2,812	189,553	193,243
Transferred from land held for property development (Note 5(a))	31,853	-	27,496	59,349
Reversal of completed projects	(15,498)	-	(117,973)	(133,471)
Reclassification	(50)	-	50	-
At 31 December 2011	109,085	73,394	384,406	566,885
Cumulative costs recognised in income statements				
At 1 January 2011	(46,088)	(17,735)	(155,158)	(218,981)
Recognised during the financial year (Note 36)	(20,386)	(34,764)	(136,661)	(191,811)
Reversal of completed projects	15,498	-	117,973	133,471
Reclassification	50	-	(50)	-
At 31 December 2011	(50,926)	(52,499)	(173,896)	(277,321)
Property development costs as at 31 December 2011	58,159	20,895	210,510	289,564

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

5. 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 2010				
Cumulative property development costs				
At 1 January 2010	90,614	73,600	207,328	371,542
Cost incurred during the financial year	-	-	121,940	121,940
Transferred from/(to) land held for property development (Note 5(a))	18,257	(3,018)	4,210	19,449
Reversal of completed projects	(6,546)	-	(57,791)	(64,337)
Unsold completed units transferred to inventories	-	-	(830)	(830)
Reclassification	(10,423)	-	10,423	-
At 31 December 2010	91,902	70,582	285,280	447,764
Cumulative costs recognised in income statements				
At 1 January 2010	(8,999)	(6,148)	(126,381)	(141,528)
Recognised during the financial year (Note 36)	(35,635)	(11,587)	(94,568)	(141,790)
Reversal of completed projects	6,546	-	57,791	64,337
Reclassification	(8,000)	-	8,000	-
At 31 December 2010	(46,088)	(17,735)	(155,158)	(218,981)
Property development costs as at 31 December 2010	45,814	52,847	130,122	228,783

Finance costs of RM2,913,538 (2010: RM2,355,247) were capitalised within development cost during the financial year as disclosed in Note 38.

The freehold and leasehold land held for property development and property development costs with an aggregate carrying amount of RM183,840,183 (2010: RM107,950,099) are pledged to a financial institution for term loan and bank guarantee facilities obtained as disclosed in Note 24.

6. INVESTMENT PROPERTIES

	Group	
	2011	**2010**
	RM'000	**RM'000**
At fair value		
At 1 January	614,266	425,761
Additions	186,409	67,150
Disposal	(912)	(15,300)
Transferred from property, plant and equipment (Note 4)	-	88,180
Transferred from land held for property development (Note 5(a))	-	1,682
Gain from fair value adjustment (Note 37)	14,260	46,793
At 31 December	814,023	614,266

Investment properties with an aggregate carrying value of RM428,042,772 (2010: RM242,426,057) are held under lease terms.

Investment properties are stated at their fair value as at 31 December 2011. Valuations were performed by Henry Butcher Malaysia (SEL.) Sdn. Bhd. and PA International Consultants (KL) Sdn. Bhd., professional independent valuers in accordance with International Valuation Standards using Cost Method and Investment Method.

Investment properties with an aggregate carrying value of RM771,598,890 (2010: RM568,930,093) are pledged as securities for borrowings as disclosed in Note 24.

In the current financial year finance costs capitalised in investment properties of the Group amounted to RM4,753,668 (2010: RM3,230,185) as disclosed in Note 38.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

7. INVESTMENT IN SUBSIDIARIES

	Company	
	2011	2010
	RM'000	RM'000
At cost		
Unquoted shares	489,453	489,403
Arising from ESOS granted to subsidiaries' employees	21,892	14,550
	511,345	503,953
Less: Accumulated impairment losses	(6,698)	(6,698)
	504,647	497,255

In the previous financial years, the Company recognised an impairment loss of RM6,697,713 in respect of its investment in WCT Construction Sdn. Bhd.. The impairment loss represents the write down of the investment to its recoverable value and has been recognised in the income statement. The recoverable amount was based on value in use and determined at the level of the cash generating units ("CGU").

(a) Acquisition of new subsidiaries

(i) On 25 January 2011, the Company acquired 2 ordinary shares of RM1.00 each at par representing the entire issued and paid-up share capital of the following companies:

(a) WCT Green Sdn. Bhd.
(b) WCT Group Sdn. Bhd.
(c) WCT Holdings Sdn. Bhd.

And on even date, the Company's wholly-owned subsidiary, WCT Land Sdn. Bhd. ("WCTL"), acquired 2 ordinary shares of RM1.00 each at par representing the entire issued and paid-up share capital of WCT Assets Sdn. Bhd..

These subsidiary companies are incorporated in Malaysia, each has an authorised share capital of RM100,000 and an issued and paid-up share capital of RM2.00 divided into 2 ordinary shares of RM1.00 each respectively.

(ii) On 24 February 2011, WCTL has acquired 2 ordinary shares of RM1.00 each at par representing the entire issued and paid-up share capital of WCT Realty Sdn. Bhd. ("WCTRSB") for a total cash consideration of RM2.00. WCTRSB, a company incorporated in Malaysia, has an authorised share capital of RM100,000 and an issued and paid-up share capital of RM2.00 divided into 2 ordinary shares of RM1.00 each.

(iii) On 14 July 2011, WCTL has acquired 2 ordinary shares of RM1.00 each at par representing the entire issued and paid-up share capital of Pioneer Acres Sdn. Bhd. ("PASB") for a total cash consideration of RM2.00. PASB, a company incorporated in Malaysia, has an authorised share capital of RM100,000 and an issued and paid-up share capital of RM2.00 divided into 2 ordinary shares of RM1.00 each.

7. INVESTMENT IN SUBSIDIARIES *cont'd*

(a) Acquisition of new subsidiaries *cont'd*

(iv) On 25 August 2011, WCTL has acquired 2 ordinary shares of RM1.00 each at par representing the entire issued and paid-up share capital of WCT Acres Sdn. Bhd. ("WCTASB") for a total cash consideration of RM2.00. WCTASB, a company incorporated in Malaysia, has an authorised share capital of RM100,000 and an issued and paid-up share capital of RM2.00 divided into 2 ordinary shares of RM1.00 each.

(v) On 5 September 2011, WCT Management (Beijing) Limited ("WCT Beijing"), a wholly foreign owned enterprise in Beijing, China has been incorporated, following the issuance of the Business License by the Beijing Administration of Industry & Commerce on 26 August 2011 which was received on 5 September 2011. The Registered Capital of WCT Beijing is RMB4,000,000 (approximately RM1.9 million) and is a wholly owned subsidiary of WCTL.

(vi) On 10 October 2011, WCTL has acquired 2 ordinary shares of RM1.00 each at par representing the entire issued and paid-up share capital of Jubilant Courtyard Sdn. Bhd. ("JCSB") for a total cash consideration of RM2.00. JCSB, a company incorporated in Malaysia, has an authorised share capital of RM100,000 and an issued and paid-up share capital of RM2.00 divided into 2 ordinary shares of RM1.00 each.

(vii) On 14 November 2011, WCTL has acquired 2 ordinary shares of RM1.00 each at par representing the entire issued and paid-up share capital of WCT Hartanah Jaya Sdn. Bhd. ("WCTH") for a total cash consideration of RM2.00. WCTH, a company incorporated in Malaysia, has an authorised share capital of RM100,000 and an issued and paid-up share capital of RM2.00 divided into 2 ordinary shares of RM1.00 each.

(viii) Concurrent with the issuance and award of the Investment Certificate to the Company's wholly-owned subsidiary, WCT (S) Pte. Ltd. on 24 December 2011, the People's Committee of HCMC has also approved the establishment of a limited liability company namely, WCT-DPN Company Limited ("WCT-DPN"), a 70%-owned subsidiary of the Company. The remaining 30% equity of WCT-DPN will be held by Southern Land Corporation ("SLC"), a joint stock company duly established under the Laws of Socialist Republic of Vietnam on 26 March 2001. WCT-DPN's initial chartered capital is USD25,151,580.00. Its principal business activity is the development and management of residential and commercial properties on a piece of land measuring approximately 46,577 square meter in New Urban Development Area of Saigon South, Binh Hung Commune, Binh Chanh District, Ho Chi Minh City, Vietnam.

The acquisition of these subsidiaries has no material effect on the financial position and financial performance of the Group.

(b) Changes in the composition of the subsidiaries

On 6 July 2011, the Company transferred the 2 ordinary shares of RM1.00 each at par representing 100% of the issued and paid-up share capital of Iris Green Sdn. Bhd. ("IGSB") for a cash consideration of RM2.00 to WCTL.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

7. INVESTMENT IN SUBSIDIARIES *cont'd*

Details of the subsidiaries are as follows:

Name of Company	Country of incorporation	Principal activities	Proportion of ownership interest 2011 (%)	2010 (%)
WCT Construction Sdn. Bhd.	Malaysia	Civil engineering and construction works	100	100
WCT Land Sdn. Bhd.	Malaysia	Investment holding	100	100
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
Iris Green Sdn. Bhd.	Malaysia	Property development	-	100
WCT Green Sdn. Bhd.	Malaysia	Dormant	100	-
WCT Group Sdn. Bhd.	Malaysia	Dormant	100	-
WCT Holdings Sdn. Bhd.	Malaysia	Dormant	100	-
WCT (Bahrain) W.L.L. (2)	Kingdom of Bahrain	Provision of project management services	100	100
Cebarco-WCT W.L.L. (1)	Kingdom of Bahrain	Construction works	50	50
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	100
Allied WCT L.L.C. (1)	Sultanate of Oman	Dormant	70	70
Held by WCT (S) Pte. Ltd.:				
WCT-DPN Company Limited	Vietnam	Development and management	70	-
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

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

7. INVESTMENT IN SUBSIDIARIES *cont'd*

Details of the subsidiaries are as follows: *cont'd*

Name of Company	Country of incorporation	Principal activities	Proportion of ownership interest 2011 (%)	Proportion of ownership interest 2010 (%)
Held by WCT Land Sdn. Bhd.:				
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
Atlanta Villa Sdn. Bhd.	Malaysia	Property development	100	100
WCT Hotel & Facilities Management Sdn. Bhd.	Malaysia	Property investment	100	100
WCT Property Management Sdn. Bhd.	Malaysia	Property management	100	100
Urban Courtyard Sdn. Bhd.	Malaysia	Property development	100	100
Segi Astana Sdn. Bhd.	Malaysia	Property development	-	100
Platinum Meadow Sdn. Bhd.	Malaysia	Property development	100	100
Iris Green Sdn. Bhd.	Malaysia	Property development	100	-
WCT Assets Sdn. Bhd.	Malaysia	Dormant	100	-
WCT Realty Sdn. Bhd.	Malaysia	Dormant	100	-
Pioneer Acres Sdn. Bhd.	Malaysia	Dormant	100	-
WCT Acres Sdn. Bhd.	Malaysia	Dormant	100	-
Jubilant Courtyard Sdn. Bhd.	Malaysia	Dormant	100	-
WCT Hartanah Jaya Sdn. Bhd.	Malaysia	Dormant	100	-
WCT Management (Beijing) Limited	China	Dormant	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 2011
cont'd

7. INVESTMENT IN SUBSIDIARIES *cont'd*

Details of the subsidiaries are as follows: *cont'd*

Name of Company	Country of incorporation	Principal activities	Proportion of ownership interest 2011 (%)	Proportion of ownership interest 2010 (%)
Held by WCT Land Resources Sdn. Bhd.:				
BBT Mall Sdn. Bhd.	Malaysia	Building management in investment properties	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) Private Limited [(1)]	Republic of Mauritius	Investment holding	100	100
Held by WCT (Offshore) Private Limited:				
IWM Constructions Private Limited [(1)]	India	Engineering, procurement and construction	61.9	61.9
WCT Infrastructure (India) Private Limited [(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.

8. INVESTMENT IN ASSOCIATES

	Group		Company	
		(Restated)		
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Unquoted shares, at cost	68,856	68,856	520	520
Group's share of post acquisition profit and reserves	68,475	51,725	-	-
	137,331	120,581	520	520
Share application monies	61,207	82,089	-	-
Exchange difference	(39,009)	(25,704)	-	-
	159,529	176,966	520	520
Represented by:				
Group's share of net identifiable assets	159,529	176,966	-	-

During the previous financial year, certain of the Group's associates issued redeemable and non-convertible debentures to repay their existing term loan facilities. The debentures are secured by way of first charge in favour of the debenture trustee on the moveable assets of the associates, both present and future. The associates must maintain escrow account and liquidity reserve account until all the debentures are fully redeemed. The debentures are subject to certain financial covenants, which include requirements to maintain debt equity ratio of 1:1 and debt service coverage ratio of 1.2 times. The debentures are redeemable in nine instalments over five years based on scheduled maturity dates commencing from 12 months after the date of allotment.

The 42,500,000 ordinary shares held by the Group in Swarna Tollway Private Limited are pledged in favour of lenders of Swarna Tollway Private Limited.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

8. INVESTMENT IN ASSOCIATES *cont'd*

Details of the associates are as follows:

Name of associates	Country of incorporation	Principal activities	Proportion of ownership interest 2011 (%)	2010 (%)
Khalid Abdulrahim Group WCT W.L.L.	Bahrain	Construction work	50	50
Held by WCT (International) Private Limited:				
Gamuda-WCT (Offshore) Private Limited and its subsidiary	Republic of Mauritius	Investment holding	30	30
- Mapex Infrastructure Private Limited	India	Highway concessionaire	30	30
Suria Holding (Offshore) Private Limited and its subsidiary	Republic of Mauritius	Investment holding	30	30
- Emas Expressway Private Limited	India	Highway concessionaire	30	30
Held by WCT (Offshore) Private Limited:				
Gamuda-WCT (India) Private Limited	India	Engineering, procurement and construction works	30	30
Swarna Tollway Private Limited	India	Highway concessionaire	21.6	21.6
Held by WCT Infrastructure (India) Private Limited:				
Perdana Highway Operations Private Limited	India	Investment holding	50	50

All the associated companies have financial year end of 31 March, other than those incorporated in Republic of Mauritius, which have financial year end of 31 July and those incorporated in Bahrain, which have financial year end of 31 December. For the purpose of applying the equity method of accounting for associated companies with financial year end of 31 March and 31 July, the last audited financial statements available and the management financial statements to the end of the accounting period of the associated companies have been used.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

8. INVESTMENT IN ASSOCIATES *cont'd*

The Group's contingent liabilities in respect of its investment in associates are disclosed in the Note 46(d).

The summarised assets and liabilities of the associates are as follows:

	2011 RM'000	(Restated) 2010 RM'000
Assets and liabilities		
Current assets	390,866	471,205
Non-current assets	940,610	1,148,693
Current liabilities	(102,406)	(125,945)
Non-current liabilities	(506,869)	(685,355)
Net Assets	722,201	808,598

The summarised results of the associates adjusted for the proportion of ownership interest held by the Group, are as follows:

	2011 RM'000	(Restated) 2010 RM'000
Results		
Revenue	24,228	20,304
Finance income	25,427	28,892
Profit after taxation	16,750	16,993

9. INVESTMENT IN JOINTLY CONTROLLED ENTITIES

	Company	
	2011 RM'000	2010 RM'000
Capital contribution	15,380	15,380
Impairment of capital contribution	(15,246)	(15,246)
	134	134

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

9. INVESTMENT IN JOINTLY CONTROLLED ENTITIES *cont'd*

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 2011 (%)	2010 (%)
Malaysia - China Hydro Joint Venture	Malaysia	Construction work	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
AES - WCT Joint Venture	Emirate of Dubai	Engineering and construction of infrastructure works	50	50
Arabtec Construction L.L.C. - WCT Engineering Joint Venture	Emirate of Dubai	Construction work	50	50
AES - WCT Contracting L.L.C.	Emirate of Dubai	Road, bridges and dam contracting	49	49
Held by WCT Land Sdn. Bhd.:				
One Medini Sdn. Bhd.	Malaysia	Property development	70	70
Segi Astana Sdn. Bhd.	Malaysia	Concession holder of an integrated complex	70	-

Segi Astana Sdn. Bhd. ("SASB") was incorporated on 1 October 2010 in Malaysia with authorised share capital of RM100,000 and issued and paid-up share capital of RM2.00. On 30 September 2011, SASB became a jointly controlled entity of WCT Land Sdn. Bhd. and Malaysia Airports Holdings Berhad, with respective equity shareholdings of 70% and 30%.

Gamuda - WCT (Bahrain) Joint Venture has been dissolved on 31 March 2011. The contribution from this jointly controlled entity is not material to the Group's consolidated financial statements. As such the dissolution of this jointly controlled entity has no material financial impact to the Group's consolidated financial statements.

All jointly controlled entities are unincorporated except for AES - WCT Contracting L.L.C., One Medini Sdn. Bhd. and Segi Astana Sdn. Bhd..

9. INVESTMENT IN JOINTLY CONTROLLED ENTITIES *cont'd*

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:

	2011 RM'000	2010 RM'000
Assets and liabilities		
Current assets	207,645	136,252
Non-current assets	756,592	648,902
	964,237	785,154
Current liabilities	(716,382)	(652,002)
Non-current liabilities	(277,144)	(272,258)
	(993,526)	(924,260)
	(29,289)	(139,106)
Results		
Revenue	110,552	229,155
Expenses	(123,119)	(271,329)
Other income	139,241	2,795
Profit/(loss) before tax	126,674	(39,379)
Taxation	216	149
Profit/(loss) after tax	126,890	(39,230)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

10. OTHER INVESTMENTS

	Note	Group 2011 RM'000	Group 2010 RM'000
At cost			
Unquoted ordinary shares	(a)	1,534	1,534
Unquoted preference shares	(b)	8,964	8,964
		10,498	10,498
Less: Impairment loss		(748)	(694)
		9,750	9,804

(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 (2010: RM8,963,719), of which the rights attached are as follows:

(i) The RPS shall not confer any rights 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.

11. CONCESSION ASSETS

	Group	
	2011	**2010**
	RM'000	**RM'000**
Intangible assets		
Cost		
At 1 January	-	-
Additions	129,732	-
At 31 December	129,732	-

On 22 September 2011, the Company entered into a concession agreement with Malaysia Airports Holdings Berhad and Segi Astana Sdn. Bhd. ("SASB" or "Concession Company") for the privatisation of the construction, development and financing of the Integrated Complex ("Integrated Complex") at KLIA2 on a build-operate-transfer model ("the Project"). The concession is for a period of up to twenty-five (25) years and may be extended for a futher period of ten (10) years at the option of the Concession Company. The commencement date of the concession was 1 August 2011.

Upon the expiry of the concession period, SASB shall transfer the Integrated Complex including the building, fittings and relevant documents at no cost to Malaysia Airports Holdings Berhad.

Further information on the concession assets are disclosed in Note 49(c).

12. INVENTORIES

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Consumable stocks, at cost	4,558	14,424	-	-
Properties held for sale, at cost	38,427	48,351	5,008	6,748
Properties held for sale, at net realisable value	8,446	11,618	5,845	8,177
	51,431	74,393	10,853	14,925

The Group and the Company wrote-down cost of properties of RM Nil (2010: RM902,705) and RM Nil (2010: RM902,705) respectively during the financial year.

The costs of inventories recognised as an expense inclusive of the write-down mentioned above, are disclosed in Note 39.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

13. TRADE RECEIVABLES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current				
Trade receivables	423,068	560,157	224,348	170,059
Retention sum on contracts receivable due within one year	185,130	263,338	27,941	26,474
Due from contract customers	35,863	43,805	16,765	608
	644,061	867,300	269,054	197,141
Less: Provision for doubtful debts	(9,999)	(12,706)	(3,526)	(10,261)
	634,062	854,594	265,528	186,880
Non-current				
Trade receivables	14,896	21,548	-	-
Retention sum on contracts receivable due after one year	139,581	162,242	47,886	39,467
Due from contract customers	220,163	205,534	-	-
	374,640	389,324	47,886	39,467
Total	1,008,702	1,243,918	313,414	226,347

Details of the Group's trade receivables subject to arbitration proceedings are disclosed in Note 51.

(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 (2010: 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 project directors also hold regular meetings with contract customers to renegotiate payment terms and to ensure the credit-worthiness of the ultimate end-users.

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 as discussed below and in Note 51. Accordingly, after taking all pertinent considerations, the Directors believe that no further provision is required in excess of the provision for doubtful debts already made.

13. TRADE RECEIVABLES *cont'd*

(a) Credit risk *cont'd*

The ageing of receivables as at the end of the financial year was:

	Gross RM'000	Individual impairment RM'000	Collective impairment RM'000	Net RM'000
Group				
2011				
Not past due	595,791	-	-	595,791
Past due 0-30 days	19,568	-	-	19,568
Past due 31-120 days	40,142	-	-	40,142
Past due more than 120 days	107,174	(9,999)	-	97,175
	762,675	(9,999)	-	752,676
2010				
Not past due	876,696	-	-	876,696
Past due 0-30 days	43,902	(3)	-	43,899
Past due 31-120 days	24,402	(3)	-	24,399
Past due more than 120 days	62,285	(12,700)	-	49,585
	1,007,285	(12,706)	-	994,579
Company				
2011				
Not past due	253,626	-	-	253,626
Past due 0-30 days	14,422	-	-	14,422
Past due 31-120 days	20,428	-	-	20,428
Past due more than 120 days	11,699	(3,526)	-	8,173
	300,175	(3,526)	-	296,649
2010				
Not past due	180,856	-	-	180,856
Past due 0-30 days	41,576	-	-	41,576
Past due 31-120 days	1,000	-	-	1,000
Past due more than 120 days	12,568	(10,261)	-	2,307
	236,000	(10,261)	-	225,739

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

13. TRADE RECEIVABLES *cont'd*

(a) Credit risk *cont'd*

Movement of the allowance accounts are as follows:

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
At 1 January	12,706	12,540	10,261	10,261
Impairment loss recognised	4,844	181	-	-
Impairment loss reversed	(7,551)	(15)	(6,735)	-
At 31 December	9,999	12,706	3,526	10,261

Receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company. None of the Group's and the Company's receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired are related to customers with good track records with the Group or those with ongoing transactions or progressive payments.

(b) Due from contract customers

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

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Aggregate costs incurred to date	16,318,388	16,303,087	3,099,525	2,452,377
Add: Attributable profits	1,022,029	899,955	209,691	171,838
Less: Foreseeable losses	(315)	(9,135)	-	-
Less: FRS 139 adjustments	(13,881)	(21,672)	-	-
	17,326,221	17,172,235	3,309,216	2,624,215
Less: Progress billings	(17,115,132)	(17,048,874)	(3,296,473)	(2,634,544)
	211,089	123,361	12,743	(10,329)
Represented by:				
Due from contract customers	256,026	249,339	16,765	608
Due to contract customers (Note 18)	(44,937)	(125,978)	(4,022)	(10,937)
	211,089	123,361	12,743	(10,329)
Contract revenue recognised during the financial year (Note 35)	1,124,717	1,395,466	655,631	813,165
Contract cost recognised during the financial year (Note 36)	951,720	1,155,132	620,221	777,369

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

13. 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		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Wages and salaries				
- direct	61,027	41,396	13,918	-
- seconded	22,106	16,847	-	-
Hiring of machineries	35,477	40,270	170	-
Rent of premises	980	864	-	-
Depreciation of property, plant and equipment	31,114	48,511	2,716	-

14. OTHER RECEIVABLES

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Current				
Sundry receivables	63,839	72,975	27,249	7,946
Deposits	20,261	12,242	1,536	1,321
Advances to sub-contractors	141,958	114,564	46,393	428
Prepayments	4,470	4,385	622	327
Advances to joint venture partners of jointly controlled entities	65,338	2,732	-	7
Advance profit distribution to non-controlling interest of a foreign subsidiary company	178,418	73,597	-	-
	474,284	280,495	75,800	10,029
Less: Provision for doubtful debts	(5,608)	(8,348)	(3,332)	(3,489)
	468,676	272,147	72,468	6,540
Non-current				
Deposits	11,320	4,929	6,462	-
Sundry receivables	13,981	13,403	-	-
Advances to sub-contractors	55,520	51,708	-	-
Performance security deposit (Note 51)	180,763	163,926	-	-
	261,584	233,966	6,462	-
	730,260	506,113	78,930	6,540

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

14. OTHER RECEIVABLES *cont'd*

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Outstanding advances to sub-contractors in excess of one year as at 31 December 2011 amounted to RM17,232,241 (2010: RM19,975,533). The Directors, having considered all available information, are of the opinion that these debts are collectible in full and require no further 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.

Details of sundry receivables of the Group subject to arbitration proceedings are disclosed in Note 51.

15. DUE FROM/(TO) RELATED PARTIES

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Due from:				
Subsidiaries				
- trade accounts	-	-	74,423	334
- current accounts	-	-	493,620	327,783
Associates	1,012	4,223	-	-
Jointly controlled entities	-	-	420,693	536,264
	1,012	4,223	988,736	864,381
Less: Provision for doubtful debts	-	-	-	(120,248)
	1,012	4,223	988,736	744,133
Due to:				
Current				
Subsidiaries				
- trade accounts	-	-	-	(214,462)
- current accounts	-	-	(164,951)	(73,310)
Jointly controlled entities	-	-	-	(24,766)
	-	-	(164,951)	(312,538)
Non-current				
Subsidiaries				
- trade accounts	-	-	(30,973)	-
	-	-	(195,924)	(312,538)

15. DUE FROM/(TO) RELATED PARTIES *cont'd*

Further details on related party transactions and information on financial risks are disclosed in Notes 43 and 47 respectively.

Balances with related parties are unsecured, bear interest at 5.013% (2010: 5.52%) per annum during the financial year, payable on demand and are to be settled in cash.

16. CASH AND CASH EQUIVALENTS

		Group		Company	
		2011	2010	2011	2010
	Note	RM'000	RM'000	RM'000	RM'000
Deposits:					
With licensed discount houses		3,001	2,918	3,001	2,918
With licensed banks		515,428	932,664	440,046	889,902
With a licensed bank held under Finance Service Reserve Account	(a)	3,917	3,938	3,917	3,938
With licensed banks (restricted)	(b)	770	770	-	-
		523,116	940,290	446,964	896,758
Cash and bank balances	17	280,887	222,117	30,136	40,096
Total cash and cash equivalents		804,003	1,162,407	477,100	936,854

(a) Designated for the payment of profit element of the unsecured BAIDS as disclosed in Note 25.

(b) This is negotiable certificate of deposit which has been placed with a licensed bank for bank guarantee facilities extended to a joint venture company.

Deposits with licensed banks of the Group and of the Company amounting to RM22,729,130 (2010: RM18,887,678) and RM14,090,283 (2010: RM13,778,290) respectively are pledged to secure banking facilities.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

17. CASH AND BANK BALANCES

		Group		Company	
		2011	2010	2011	2010
	Note	RM'000	RM'000	RM'000	RM'000
Cash and bank balances		151,530	159,871	30,136	40,096
Cash held under Housing Development Accounts	(a)	129,357	62,127	-	-
Redemption Account		-	119	-	-
		280,887	222,117	30,136	40,096

(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.

Other information on financial risks of cash and bank balances are disclosed in Note 47.

18. TRADE PAYABLES

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Current				
Trade payables	381,681	521,229	9,730	2,844
Retention sum payable within one year	135,728	155,298	1,864	1,766
Due to contract customers (Note 13(b))	44,937	125,978	4,022	10,937
	562,346	802,505	15,616	15,547
Non-current				
Trade payables	4,066	3,795	-	-
Retention sum payable after one year	85,666	101,381	3,834	-
	89,732	105,176	3,834	-
Total	652,078	907,681	19,450	15,547

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2010: 30 to 90 days).

Details of trade payables subject to arbitration proceedings are disclosed in Note 51.

19. OTHER PAYABLES

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current				
Sundry payables	37,535	27,489	3,049	530
Accruals	49,057	61,129	5,260	8,510
Provision for foreseeable losses	44,704	44,704	35,767	35,767
Advances received from customers on contracts	195,708	24,488	166,476	-
Advances from a minority shareholder of a subsidiary	19,056	19,209	-	-
Advances from shareholders of jointly controlled entities	35,135	37,865	-	-
Others	15,248	13,469	365	548
	396,443	228,353	210,917	45,355
Non-current				
Sundry payables	195,618	174,710	-	-
Advances received from customers on contracts	140,491	51,831	84,971	-
	336,109	226,541	84,971	-
	732,552	454,894	295,888	45,355

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.

Details of other payables subject to arbitration proceedings are disclosed in Note 51.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

20. BORROWINGS

		Group		Company	
		2011	2010	2011	2010
	Note	RM'000	RM'000	RM'000	RM'000
Current					
Secured:					
Hire purchase payables	21	13,574	13,523	372	224
Revolving credits	23	70,000	70,000	-	-
Term loans	24	208,149	66,453	-	-
		291,723	149,976	372	224
Unsecured:					
Bank overdrafts	22	10,636	7,886	2,970	-
Bankers' acceptances	23	24,395	18,236	10,473	5,334
Bai Bithaman Ajil Islamic Debt Securities ("BAIDS")	25	40,000	30,000	40,000	30,000
Islamic Serial Redeemable Bonds ("SUKUK")	26	99,305	99,341	99,305	99,341
Islamic Medium Term Notes ("IMTN")	27	-	200,000	-	200,000
		174,336	355,463	152,748	334,675
		466,059	505,439	153,120	334,899
Non-current					
Secured:					
Hire purchase payables	21	4,690	11,565	266	281
Term loans	24	158,363	240,244	-	-
		163,053	251,809	266	281
Unsecured:					
Islamic Medium Term Notes ("IMTN")	27	100,000	100,000	100,000	100,000
Bai Bithaman Ajil Islamic Debt Securities ("BAIDS")	25	-	40,000	-	40,000
Islamic Serial Redeemable Bonds ("SUKUK")	26	96,194	189,622	96,194	189,622
Serial Fixed Rate Bonds ("Bonds")	28	558,493	545,991	558,493	545,991
		754,687	875,613	754,687	875,613
		917,740	1,127,422	754,953	875,894

20. BORROWINGS *cont'd*

		Group		Company	
		2011	2010	2011	2010
	Note	RM'000	RM'000	RM'000	RM'000
Total borrowings					
Hire purchase payables	21	18,264	25,088	638	505
Bank overdrafts	22	10,636	7,886	2,970	-
Bankers' acceptances	23	24,395	18,236	10,473	5,334
Revolving credits	23	70,000	70,000	-	-
Term loans	24	366,512	306,697	-	-
Islamic Medium Term Notes ("IMTN")	27	100,000	300,000	100,000	300,000
Bai Bithaman Ajil Islamic Debt Securities ("BAIDS")	25	40,000	70,000	40,000	70,000
Islamic Serial Redeemable Bonds ("SUKUK")	26	195,499	288,963	195,499	288,963
Serial Fixed Rate Bonds ("Bonds")	28	558,493	545,991	558,493	545,991
		1,383,799	1,632,861	908,073	1,210,793

Other information on the borrowings are disclosed in Note 47.

21. HIRE PURCHASE PAYABLES

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Future minimum lease payments:				
Not later than 1 year	14,178	14,476	399	250
Later than 1 year and not later than 2 years	3,033	11,514	221	236
Later than 2 years and not later than 5 years	1,868	369	55	58
Total future minimum lease payments	19,079	26,359	675	544
Less: Future finance charges	(815)	(1,271)	(37)	(39)
Present value of finance lease liabilities	18,264	25,088	638	505

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

21. HIRE PURCHASE PAYABLES *cont'd*

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Analysis of present value of hire purchase payables:				
Not later than 1 year	13,574	13,523	372	224
Later than 1 year and not later than 2 years	2,860	11,203	212	224
Later than 2 years and not later than 5 years	1,830	362	54	57
	18,264	25,088	638	505
Less: Amount due within 12 months	(13,574)	(13,523)	(372)	(224)
Amount due after 12 months	4,690	11,565	266	281

Other information on the hire purchase payables are disclosed in Note 47.

22. BANK OVERDRAFTS

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Unsecured	10,636	7,886	2,970	-

The unsecured bank overdrafts of the subsidiary companies are guaranteed by the Company.

Other information on the bank overdrafts are disclosed in Note 47.

23. REVOLVING CREDITS AND BANKERS' ACCEPTANCES

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Secured				
Revolving credits	70,000	70,000	-	-
Unsecured				
Bankers' acceptances	24,395	18,236	10,473	5,334
	94,395	88,236	10,473	5,334

The revolving credits are secured on the same terms with Term loan I as mentioned in Note 24 and bear interest of 1% per annum over the bank's cost of funds.

Other information on the revolving credits are disclosed in Note 47.

24. TERM LOANS

	Group	
	2011	**2010**
	RM'000	**RM'000**
Secured		
Term loan I	117,083	128,156
Term loan II	199,429	178,541
Term loan III	50,000	-
	366,512	306,697

The term loans are repayable as follows:

	2011 RM'000	2010 RM'000
Not later than 1 year	208,149	66,453
Later than 1 year and not later than 2 years	9,454	129,261
Later than 2 years and not later than 5 years	39,517	31,120
Later than 5 years	109,392	79,863
	366,512	306,697
Less: Amount due within 12 months	(208,149)	(66,453)
Amount due after 12 months	158,363	240,244

Term loan I together with the revolving credits as mentioned in Note 23 are secured by way of a fixed charge over the freehold land of a subsidiary company and third party debenture on the investment property owned by a subsidiary company (the "Mall") as disclosed in Notes 5 and 6. 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 instalments 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% (2010: 6.75%) per annum.

Term loan II is secured by way of a fixed charge over land held for development and investment properties as disclosed in Notes 5 and 6. Interest is charged at 0.75% (2010: 0.75%) per annum over the bank's cost of funds. The remaining outstanding amount of Term loan II is payable upon issuance of Redeemable Secured Loan Stock.

Term loan III is secured by way of legal assignment over the hotel. The loan bears interest of 5.75% per annum and 1st repayment is to commence on 18 April 2014.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

25. BAI BITHAMAN AJIL ISLAMIC DEBT SECURITIES ("BAIDS")

	Group/Company	
	2011	2010
	RM'000	RM'000
The BAIDS are repayable as follows:		
Not later than 1 year	40,000	30,000
Later than 1 year and not later than 2 years	-	40,000
	40,000	70,000

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 with 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 six months commencing six 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 that the Company shall transfer monies into such account within 14 days from such withdrawal to maintain the minimum balance as disclosed in Note 16(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.

26. ISLAMIC SERIAL REDEEMABLE BONDS ("SUKUK") *cont'd*

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 on bought deal basis to the Primary Subscriber. 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 sale 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 4.90% to 5.20%. The SUKUK are direct, unconditional, unsecured and unsubordinated.

27. ISLAMIC MEDIUM TERM NOTES ("IMTN")

	Group/Company	
	2011	**2010**
	RM'000	**RM'000**
The IMTN are repayable as follows:		
Not later than 1 year	-	200,000
Later than 1 year and not later than 2 years	100,000	-
Later than 2 years and not later than 5 years	-	100,000
	100,000	300,000

The IMTN are constituted by a Trust Deed dated 2 April 2008.

The issuance of the IMTN 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. IMTN have maturity days of more than 1 year and up to 7 years.

The IMTN may be non-profit bearing or bear profit at a rate determined at the point of issuance. IMTN's 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 contains a financial covenant to maintain a net 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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

27. ISLAMIC MEDIUM TERM NOTES ("IMTN") *cont'd*

On 15 April 2008, the Company drawn down RM200 million of the IMTN under the IMTN Programme with the tenure of 3 years from issue date. The maturity date of the IMTN is 16 April 2011 and the yield to maturity at issuance date was 4.95%.

On 30 June 2010, the Company drawn down RM100 million of the IMTN under the IMTN Programme with the tenure of 3 years from issue date. The maturity date of the IMTN is 28 June 2013 and yield to maturity at issuance date was 5.10%.

The IMTN shall have a limit of RM300 million in nominal value and shall be made available to the Issuer based on the Islamic principles of Musyarakah.

28. SERIAL FIXED RATE BONDS ("BONDS")

	Group/Company	
	2011	2010
	RM'000	RM'000
The Bonds are repayable as follows:		
Later than 1 year and not later than 2 years	293,878	-
Later than 2 years and not later than 5 years	264,615	545,991
	558,493	545,991

The Company issued RM600 million of Bonds in December 2010 in 2 series and have tenures of 3 and 5 years with 157,935,129 rights to allotment of warrants on a bought deal basis to the Primary Subscriber. All the Bonds were issued in one lump sum at a discount to their nominal value and redemption is at nominal value of Bonds.

Upon issuance, the Primary Subscriber detached the provisional rights to allotment of warrants and placed out only the Bonds to secondary investors. The Primary Subscriber or the Offeror offered the provisional rights to the allotment of the warrants for sale 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 RM0.34 per warrant.

The coupon is 2.5% per annum and payable semi-annually in arrears commencing 6 months after the issue date. The yield to maturity was in the range of 4.90% to 5.10%. The Bonds are direct, unconditional, unsecured and unsubordinated.

29. SHARE CAPITAL

		Group/Company			
		Number of ordinary shares of RM0.50 each		Amount	
		2011	2010	2011	2010
		'000	'000	RM'000	RM'000
Authorised:					
At 1 January/31 December		1,400,000	1,400,000	700,000	700,000
Issued and fully paid:					
At 1 January		786,942	777,712	393,471	388,856
Share options exercised		15,735	5,931	7,867	2,965
Conversion of ICPS	(Note 30)	1,786	3,297	893	1,649
Conversion of Warrants 2008/2013	(Note 29(c))	22	2	11	1
Conversion of Warrants 2011/2016	(Note 29(d))	723	-	362	-
At 31 December		805,208	786,942	402,604	393,471

(a) Issue of shares

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM393,470,957 to RM402,604,102, comprising 805,208,204 ordinary shares of RM0.50 each, by way of:

(i) issuance of 15,734,960 ordinary shares of RM0.50 each for cash pursuant to the Company's ESOS at exercise price ranging from RM0.61 to RM2.73 per ordinary share.

(ii) issuance of 1,785,525 ordinary shares of RM0.50 each pursuant to the conversion of 8,927,627 ICPS of RM0.10 which was satisfied by surrendering 5 ICPS for each new ordinary share.

(iii) issuance of 22,374 ordinary shares of RM0.50 each pursuant to the conversion of Warrants 2008/2013 at an exercise price of RM2.50 per ordinary share for cash.

(iv) issuance of 723,432 ordinary shares of RM0.50 each pursuant to the conversion of Warrants 2011/2016 at an exercise price of RM2.75 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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

29. 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 and 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 continuous 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 Director or Eligible Employee who, either individually or collectively through persons connected with the Directors or employees, 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 RM0.50 each, 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.

29. SHARE CAPITAL *cont'd*

(b) Employee share options scheme ("ESOS") *cont'd*

(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 Employee and cannot be assigned, transferred, encumbered or otherwise disposed off 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 parts of the new shares in the ESOS Option.

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial year:

		Number of Share Options					
		Outstanding at 1 January	Granted	Movement During the Year (Exercised)	(Forfeited)	Outstanding at 31 December	Exercisable at 31 December
2011		'000	'000	'000	'000	'000	'000
Grant date	**Exercise Price (1) RM**						
12 April 2002	1.04	534	-	(476)	-	57	57
30 June 2004	1.05	95	-	(74)	-	21	21
13 June 2005	0.61	955	-	(882)	-	73	73
6 March 2006	0.75	814	-	(590)	-	224	224
6 March 2007	1.45	1,341	-	(964)	-	377	377
11 June 2007	2.06	848	-	(848)	-	-	-
17 March 2008	2.44	6,731	-	(2,405)	(144)	4,182	4,182
5 March 2010	2.00	25,838	-	(9,152)	(1,153)	15,533	15,533
10 March 2011	2.73	-	12,305	(343)	(1,199)	10,763	10,763
		37,156	12,305	(15,734)	(2,496)	31,230	31,230
WAEP (RM)		2.37	2.73	1.95	2.38	2.29	2.29

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

29. 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: *cont'd*

		Number of Share Options					
		Outstanding at		Movement During the Year		Outstanding at	Exercisable at
		1 January	Granted	(Exercised)	(Forfeited)	31 December	31 December
2010		'000	'000	'000	'000	'000	'000
Grant date	**Exercise Price RM**						
12 April 2002	1.24	639	-	(105)	-	534	534
30 June 2004	1.25	198	-	(103)	-	95	95
13 June 2005	0.73	2,020	-	(1,061)	(4)	955	396
6 March 2006	0.89	1,305	-	(491)	-	814	365
6 March 2007	1.73	2,451	-	(1,100)	(10)	1,341	847
11 June 2007	2.47	848	-	-	-	848	392
17 March 2008	2.92	7,209	-	(14)	(464)	6,731	5,240
5 March 2010	2.39	-	30,304	(3,057)	(1,409)	25,838	4,660
		14,670	30,304	(5,931)	(1,887)	37,156	12,529
WAEP (RM)		2.12	2.39	1.81	2.51	2.37	2.42

[1] *Adjustment to option price following completion of the issuance of Warrants 2011/2016 in accordance with By-Laws.*

29. 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
2011		
Date granted		
12 April 2002	1.04	12.04.2002 - 11.04.2012
30 June 2004	1.05	30.06.2004 - 11.04.2012
13 June 2005	0.61	13.06.2005 - 11.04.2012
6 March 2006	0.75	06.03.2006 - 11.04.2012
6 March 2007	1.45	06.03.2007 - 11.04.2012
11 June 2007	2.06	11.06.2007 - 11.04.2012
17 March 2008	2.44	17.03.2008 - 11.04.2012
05 March 2010	2.00	05.03.2010 - 11.04.2012
10 March 2011	2.73	10.03.2011 - 11.04.2012
2010		
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 2006	0.89	06.03.2006 - 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
05 March 2010	2.39	05.03.2010 - 11.04.2012

At 31 December 2011, there are 31,229,712 options exercisable at the WAEP of RM2.29 each. The exercise and vesting period is from 12 April 2002 to 11 April 2012.

(ii) Share options exercised during the financial year

As disclosed in Note 29(a) options exercised during the financial year resulted in the issuance of 15,734,960 ordinary shares of RM0.50 each (2010: 5,391,430 ordinary shares of RM0.50 each) at an average share price of RM1.95 (2010: RM1.81). The related weighted average share price at the date of exercise was RM3.11 (2010: RM2.91).

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

29. 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 financial 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:

	10 March 2011	5 March 2010	17 March 2008	11 June 2007	6 March 2007	6 March 2006	13 June 2005
Fair value of share options at grant date (RM)	0.47	0.79	0.90	3.42	1.90	2.79	2.14
Weighted average share price (RM)	3.08	2.79	3.12	7.40	4.90	3.17	3.43
Weighted average exercise price (RM)	2.73	2.39	2.92	6.57	4.61	2.35	2.69
Expected volatility (%)	24.88%	44.15%	34.62%	52.51%	52.51%	24.86%	24.86%
Expected life (years)	1.00	2.10	4.10	4.84	5.10	6.10	6.82
Risk free rate (%)	2.83%	2.95%	3.41%	3.37%	3.44%	3.67%	3.87%
Expected dividend yield (%)	3.20%	3.52%	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 not necessarily be the actual outcome. No other features of the option was incorporated into the measurement of fair value.

(c) Warrants 2008/2013

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 2010	139,374
Converted to ordinary shares	(2)
At 31 December 2010	139,372
Converted to ordinary shares	(22)
At 31 December 2011	139,350

29. SHARE CAPITAL *cont'd*

(c) Warrants 2008/2013 *cont'd*

The salient terms of the warrants are as follows:

(i) The warrants was 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 each of the Company;

(ii) The exercise price of warrants is adjusted from RM3.00 per ordinary share to RM2.50 per ordinary share in accordance with the provision of deed poll dated 12 March 2008 to ensure that the status of the holders of warrants is not prejudiced as a result of the issuance of Warrants 2011/2016;

(iii) The exercise price is RM2.50 per ordinary share of RM0.50 each 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;

(iv) 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;

(v) 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, allotments 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;

(vi) The warrants are constituted under a Deed Poll executed on 12 March 2008;

(vii) 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

(viii) 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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

29. SHARE CAPITAL *cont'd*

(d) Warrants 2011/2016

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 2011	-
Allotted during the year	157,935
Converted to ordinary shares	(723)
At 31 December 2011	157,212

The salient terms of the warrants are as follows:

(i) The warrants was 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 each of the Company;

(ii) The exercise price is RM2.75 per ordinary share of RM0.50 each 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;

(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, allotments 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 13 December 2010;

(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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

30. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

	Group/Company			
	Number of preference shares of RM0.10 each		Amount	
	2011	2010	2011	2010
	'000	'000	RM'000	RM'000
Authorised:				
At 1 January/31 December	1,000,000	1,000,000	100,000	100,000
Issued and fully paid:				
At 1 January	20,692	37,176	2,069	3,718
Converted to ordinary shares (Note 29)	(8,928)	(16,484)	(893)	(1,649)
At 31 December	11,764	20,692	1,176	2,069

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.

The main features of the ICPS are as follows:

(a) ICPS was issued in registered form and denominated in multiples of RM0.10 each;

(b) ICPS 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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

30. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS") *cont'd*

(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) The ICPS is non-redeemable and 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; and

(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.

31. SHARE PREMIUM

	Group/Company	
	2011	**2010**
	RM'000	**RM'000**
Non-distributable		
At 1 January	379,869	369,256
Arising from share options exercised	22,756	7,756
Arising from conversion of warrants	1,673	4
Transfer within reserve arising from ESOS exercised	9,659	2,852
Transfer within reserve arising from warrants exercised	249	1
At 31 December	414,206	379,869

32. RESERVES

		Group		Company	
			(Restated)		
		2011	2010	2011	2010
	Note	RM'000	RM'000	RM'000	RM'000
Non-distributable					
Revaluation reserve	(a)	20,653	7,935	2,416	2,416
Other reserve		476	476	-	-
Capital reserve	(b)	2,846	2,846	-	-
Equity compensation reserve	(c)	16,655	16,224	16,655	16,224
Exchange reserve	(d)	(90,305)	(85,730)	-	-
Warrants reserve	(e)	87,782	34,688	87,782	34,688
		38,107	(23,561)	106,853	53,328
Distributable					
General reserve	(f)	1,438	2,616	-	-
Retained profits	(g)	603,983	501,914	57,125	37,432
		605,421	504,530	57,125	37,432
		643,528	480,969	163,978	90,760

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) Capital reserve

Capital reserve of the Group arose from bonus issue of subsidiaries.

(c) 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.

(d) 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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

32. RESERVES *cont'd*

(e) Warrant reserve

The proceeds from the issue of warrants, net of issue costs, were credited to warrant reserve account which is non-distributable. Warrant reserve will be transferred to the share premium accounts upon the exercise of warrants and the warrant reserve in relation to the unexercised warrants on the expiry date of the exercise period will be transferred to retained earnings.

(f) 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

(g) 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 the 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.

As at 31 December 2010, the Company has sufficient credit in the Section 108 balance to frank dividends out of its entire retained earnings.

The Company's Section 108 balance as at 31 December 2011 of RM8,230,858 will be utilised for the proposed final dividend payment of 3.0 sen per ordinary share of RM0.50 each less tax at 25%. The Company will elect for the irrevocable option to disregard the remaining Section 108 balance subsequent to the declaration and payment of final dividend for the financial year ended 31 December 2011.

The Company may distribute dividends out of its entire retained earnings as at 31 December 2011 under the single tier system.

33. NON-CONTROLLING INTEREST

	Group	
	2011	2010
	RM'000	RM'000
At 1 January	275,150	233,012
Share of profit for the financial year	506	68,491
Revaluation decrease of freehold land and building	(875)	-
Exchange differences	7,805	(26,353)
At 31 December	282,586	275,150

34. DEFERRED TAXATION

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
At 1 January	18,165	(10,059)	365	(1,638)
Recognised in the income statement (Note 40)	5,025	28,224	(754)	2,003
Recognised in equity	3,491	-	-	-
At 31 December	26,681	18,165	(389)	365

Presented after appropriate offsetting as follows:

	Group		Company	
	2011	2010	2011	2010
Deferred tax assets	(23,624)	(7,219)	(389)	-
Deferred tax liabilities	50,305	25,384	-	365
	26,681	18,165	(389)	365

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

34. DEFERRED TAXATION *cont'd*

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:

	Land held for property development and property development costs RM'000	Revaluation RM'000	Accelerated capital allowances RM'000	Total RM'000
At 1 January 2010	(1,416)	(1,998)	15,937	12,523
Recognised in the income statement	1,112	11,700	8,640	21,452
At 31 December 2010	(304)	9,702	24,577	33,975
Recognised in the income statement	1,138	3,265	3,135	7,538
Recognised in equity	-	3,491	-	3,491
At 31 December 2011	834	16,458	27,712	45,004

Deferred tax assets of the Group:

	Provision for foreseeable losses RM'000	Other payables RM'000	Unused tax losses and unabsorbed capital allowances RM'000	Total RM'000
At 1 January 2010	(2,260)	(4,622)	(15,701)	(22,583)
Recognised in the income statement	1,183	1,899	3,691	6,773
At 31 December 2010	(1,077)	(2,723)	(12,010)	(15,810)
Recognised in the income statement	999	(1,745)	(1,767)	(2,513)
At 31 December 2011	(78)	(4,468)	(13,777)	(18,323)

34. DEFERRED TAXATION *cont'd*

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows: *cont'd*

Deferred tax liabilities of the Company:

	Accelerated capital allowances RM'000
At 1 January 2010	91
Recognised in the income statement	274
At 31 December 2010	365
Recognised in the income statement	(134)
At 31 December 2011	231

Deferred tax assets of the Company:

	Unused tax losses and unabsorbed capital allowances RM'000	Other payables RM'000	Total RM'000
At 1 January 2010	(1,073)	(656)	(1,729)
Recognised in the income statement	1,073	656	1,729
At 31 December 2010	-	-	-
Reversed in the income statement	-	(620)	(620)
At 31 December 2011	-	(620)	(620)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

35. REVENUE

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Contract revenue on civil engineering and road construction works (Note 13(b))	1,124,717	1,395,466	655,631	813,165
Dividend income	-	-	33,405	86,175
Management fees	335	1,424	11,660	5,946
Sale of development properties	266,800	195,781	-	-
Sale of goods	81,762	45,970	-	-
Sale of properties held for sale	12,664	35,264	-	-
Sale of stock properties	999	1,074	-	-
Rental income	26,077	26,935	-	-
Car park income	4,139	3,940	-	-
Hotel income	21,096	2,647	-	-
	1,538,589	1,708,501	700,696	905,286

36. COST OF SALES

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Construction contract costs (Note 13(b))	951,720	1,155,132	620,221	777,369
Cost of development properties sold (Note 5(b))	191,811	141,790	-	-
Cost of goods sold	77,703	45,177	-	-
Cost of properties held for sale	9,025	20,393	-	-
Cost of maintenance of investment properties	2,885	3,081	-	-
Cost of services provided	1,684	292	1,684	292
Cost incurred on car park operation	2,191	1,954	-	-
Share of defaulting partners loss of MCH JV	-	10,207	-	-
Cost of sales - hotel	4,594	611	-	-
	1,241,613	1,378,637	621,905	777,661

37. OTHER OPERATING INCOME/(LOSS)

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Interest	22,545	10,356	36,676	24,497
Unrealised gain/(loss) on foreign exchange	29,035	(13,038)	28,614	(25,207)
Rental	1,890	1,946	-	-
Gain on disposal of property, plant and equipment	811	110	174	430
Gain on disposal of investment properties	495	300	-	-
Gain on disposal of stock properties	1,452	408	1,452	408
Realised loss on foreign exchange	(23,625)	(19,171)	(17,612)	(18,993)
Fair value gain on investment properties (Note 6)	14,260	46,793	-	-
Finance income/(expense) from loan and receivables	9,310	11,317	(1,796)	(1,275)
Sale of scaffolding	152	1,179	-	-
Insurance claim	943	4,743	1	3
Write back of provision for doubtful debts	7,551	184	6,735	-
Gain on dissolution of a jointly controlled entity	-	-	26,965	-
Others	4,630	16,498	191	14,788
	69,449	61,625	81,400	(5,349)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

38. FINANCE COSTS

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Interest expense				
- term loans	18,316	15,511	-	-
- less: Amount capitalised under property development costs	(2,914)	(2,355)	-	-
- less: Amount capitalised under investment properties	(4,754)	(3,230)	-	-
	10,648	9,926	-	-
- profit on BAIDS	4,069	5,998	4,069	5,998
- interest on Bonds	14,959	164	14,959	164
- bank overdrafts	328	347	104	166
- bankers' acceptances	1,008	632	-	-
- revolving credits	3,054	2,881	-	-
- hire purchase	1,078	1,693	42	34
- profit on IMTN	7,941	12,471	7,941	12,471
- accretion of profit on SUKUK	6,537	8,430	6,537	8,430
- accretion of interest on Bonds	12,318	136	12,318	136
- profit on SUKUK	4,452	6,000	4,452	6,000
- others	269	1,682	543	455
	66,661	50,360	50,965	33,854

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

39. PROFIT BEFORE TAXATION

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
(a) The following amounts have been included in arriving at profit before taxation:				
Auditors' remuneration				
- statutory	549	573	217	106
- under/(over) provision in prior years	69	(13)	57	(20)
- others	-	66	-	6
Rental of premises and motor vehicles	1,816	1,853	817	704
Depreciation of property, plant and equipment	9,104	16,329	1,149	1,466
Bad debts written off	114	-	-	50
Provision for doubtful debts				
- third parties	4,844	228	-	-
Property, plant and equipment written off	-	31	-	-
Write down in value of properties stock (Note 12)	-	903	-	903
Impairment loss on				
- other investment	54	-	-	-
Revaluation deficit on property, plant and equipment	-	200	-	-
Direct expenses (including repair and maintenance) attributable to				
- income generating investment properties	4,360	3,700	-	-
Provision for foreseeable losses for contract work in progress	795	21,147	-	-
Provision for building maintenance	-	82	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

39. PROFIT BEFORE TAXATION *cont'd*

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
(b) Employee benefits expense				
Staff costs (excluding Directors)				
- wages and salaries	34,061	31,611	4,294	4,116
Social security costs	366	317	12	13
Employees' Provident Fund	4,441	3,715	459	359
Bonus and ex-gratia	6,193	3,421	533	121
ESOS expenses	10,090	10,959	2,748	3,175
Other staff related expenses	6,312	14,859	2,534	7,802
	61,463	64,882	10,580	15,586
(c) Directors' remuneration				
In respect of Company's Directors:				
Executive				
Salaries and other emoluments	4,046	3,780	4,046	3,780
Fees	114	120	54	60
Bonus	3,542	1,115	3,542	1,115
Employees' Provident Fund	675	588	675	588
Perquisite ESOS/Staff discount	384	96	384	96
Benefits-in-kind	171	211	163	203
	8,932	5,910	8,864	5,842
Non-executive				
Salaries and other emoluments	130	128	130	128
Fees	144	144	144	144
Perquisite ESOS/Staff discount	100	-	100	-
Benefits-in-kind	20	31	20	31
	394	303	394	303
Total	9,326	6,213	9,258	6,145

39. PROFIT BEFORE TAXATION *cont'd*

	Group	
	2011	**2010**
	RM'000	**RM'000**
(c) Directors' remuneration *cont'd*		
In respect of subsidiaries' Directors:		
Executive		
Salaries and other emoluments	1,469	1,525
Fees	75	84
Bonus	442	390
Employees' Provident Fund	230	230
Perquisite ESOS/Staff discount	175	25
Benefits-in-kind	84	79
	2,475	2,333
Non-executive		
Fees	12	12
Total	2,487	2,345

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Analysis of Company's Directors' remuneration excluding benefits-in-kind:				
Executive Directors' remuneration	8,761	5,699	8,701	5,639
Non-executive Directors' remuneration	374	272	374	272
Total Directors' remuneration	9,135	5,971	9,075	5,911

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

39. 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 2011				
RM100,001 - RM150,000	-	2	-	2
RM150,001 - RM200,000	-	1	-	1
RM850,001 - RM900,000	-	-	1	-
RM900,001 - RM950,000	2	-	1	-
RM1,000,001 - RM1,050,000	1	-	1	-
RM1,550,001 - RM1,600,000	1	-	1	-
RM4,400,001 - RM4,450,000	-	-	1	-
RM4,450,001 - RM4,500,000	1	-	-	-
	5	3	5	3
31 December 2010				
RM50,001 - RM100,000	-	2	-	2
RM100,001 - RM150,000	-	1	-	1
RM650,001 - RM700,000	1	-	1	-
RM750,001 - RM800,000	1	-	1	-
RM1,000,001 - RM1,050,000	1	-	1	-
RM1,300,001 - RM1,350,000	1	-	1	-
RM1,850,001 - RM1,900,000	-	-	1	-
RM1,900,001 - RM1,950,000	1	-	-	-
	5	3	5	3

40. TAXATION

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Tax expense for the year				
- Malaysian income tax	37,992	19,599	7,697	9,847
Under provided in prior years				
- Malaysian income tax	1,592	126	421	146
	39,584	19,725	8,118	9,993
Deferred taxation (Note 34)				
Relating to origination and reversal of temporary differences	6,697	27,407	55	1,239
(Over)/Underprovided in prior years	(1,672)	817	(809)	764
	5,025	28,224	(754)	2,003
	44,609	47,949	7,364	11,996

Domestic current income tax is calculated at the statutory tax rate of 25% (2010: 25%) of the estimated assessable profit for the financial year.

Taxation expenses for other jurisdictions are calculated at the rates prevailing in the respective jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

40. 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:

	2011 RM'000	2010 RM'000
Group		
Profit before taxation	207,538	266,771
Taxation at Malaysian statutory tax rate of 25% (2010: 25%)	51,885	66,693
Effect of zero tax rates in foreign countries	(2,448)	(33,485)
Effect of share of results of associates	(4,111)	(3,974)
Income not subject to tax	(16,628)	(11,181)
Expenses not deductible for tax purposes	15,991	22,574
Deferred tax assets not recognised during the year	-	6,379
(Over)/Underprovision of deferred tax in prior years	(1,672)	817
Underprovision of income tax in prior years	1,592	126
Tax expense for the financial year	44,609	47,949
Company		
Profit before taxation	87,411	29,627
Taxation at Malaysian statutory tax rate of 25% (2010: 25%)	21,853	7,407
Effect of zero tax rates in foreign branches	(1,326)	(5,732)
Income not subject to tax	(18,805)	(14,251)
Expenses not deductible for tax purposes	6,030	23,662
(Over)/Underprovision of deferred tax in prior years	(809)	764
Underprovision of income tax in prior years	421	146
Tax expense for the financial year	7,364	11,996

41. 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	
		(Restated)
	2011	2010
	RM'000	RM'000
Profit attributable to ordinary equity holders of the Company	162,423	150,331
Weighted average number of ordinary shares in issue	802,692	787,915
Basic earnings per share (sen)	20.23	19.08

(ii) Fully 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 which have been adjusted for the dilutive effects of the share options granted to employees and warrants.

	Group	
		(Restated)
	2011	2010
	RM'000	RM'000
Profit attributable to ordinary equity holders of the Company	162,423	150,331
Weighted average number of shares in issue and issuable	802,692	787,915
Effect of dilution:		
Shares options	7,424	7,188
Warrants	18,857	-
Adjusted weighted average number of ordinary shares in issue and issuable	828,973	795,103
Diluted earnings per share (sen)	19.59	18.91

For year 2010, the conversion of Warrants 2008/2013 (conversion price pre-determined at RM3.00 per ordinary share) into ordinary shares is anti-dilutive, and hence excluded in the calculation of diluted earnings per share. The calculation also excludes the dilution effects from the issuance of the new Warrants 2011/2016 attached with the RM600 million serial fixed rate bonds.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

41. EARNINGS PER SHARE *cont'd*

(ii) Fully diluted *cont'd*

There have been no other transactions involving ordinary shares between reporting date and the date of completion of these financial statements except for the new ordinary shares issued as detailed in Note 50 (i).

42. DIVIDENDS

	Dividends in respect of year			Dividends recognised in year	
	2011	2010	2009	2011	2010
	RM'000	RM'000	RM'000	RM'000	RM'000
Recognised during the year:					
Final dividend of 5.0 sen per share less 25% tax, on 783,034,420 ordinary shares of RM0.50 each (3.75 sen per ordinary share) paid on 1 June 2010	-	-	29,364	-	29,364
Dividend of 13.5% per ICPS on 22,732,916 ICPS of RM0.10 each paid on 6 August 2010	-	307	-	-	307
Interim dividend of 5.0 sen per share less 25% tax, on 783,999,941 ordinary shares of RM0.50 each (3.75 sen per ordinary share) paid on 23 September 2010	-	29,400	-	-	29,400
Final dividend of 5.0 sen per share less 25% tax, on 798,546,603 ordinary shares of RM0.50 each (3.75 sen per ordinary share) paid on 6 June 2011	-	29,945	-	29,945	-
Dividend of 13.5% per ICPS on 18,211,455 ICPS of RM0.10 each paid on 5 August 2011	246	-	-	246	-

42. DIVIDENDS *cont'd*

	Dividends in respect of year			Dividends recognised in year	
	2011	2010	2009	2011	2010
	RM'000	RM'000	RM'000	RM'000	RM'000
Recognised during the year: *cont'd*					
Interim dividend of 5.0 sen per share less 25% tax, on 804,344,872 ordinary shares of RM0.50 each (3.75 sen per ordinary share) paid on 19 September 2011	30,163	-	-	30,163	-
Proposed for approval at AGM (not recognised as at 31 December):					
Final dividend for 2011: 3.0 sen per share less 25% tax and tax exempt dividend of 1.5 sen per share on 805,208,204 ordinary shares of RM0.50 each (3.75 sen per ordinary share)	30,195	-	-	-	-
	60,604	59,652	29,364	60,354	59,071

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2011 of 3.0 sen per ordinary share of RM0.50 each less tax at 25% and a final tax exempt dividend of 1.5 sen per ordinary share of RM0.50 each will be proposed for shareholders' approval. The total net final dividend as recommended will be 3.75 sen per ordinary share of RM0.50 each (2010: total net final dividend of 3.75 sen per ordinary share of RM0.50 each).

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 2012.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

43. RELATED PARTY DISCLOSURES

(a) The Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Contract revenue from a subsidiary	-	-	-	1,790
Contract cost payable to a subsidiary	-	-	436,182	741,944
Purchase of property, plant and equipment from a subsidiary	-	-	1,141	6,816
Purchase of property, plant and equipment from a jointly controlled entity	-	865	-	-
Rent expense payable to a company related to a Director of the Company	440	412	-	-
Management fee receivable from subsidiaries	-	-	10,990	3,097
Gross dividend receivable from subsidiaries	-	-	33,405	86,175
Interest receivable from subsidiaries	-	-	18,807	17,482
Repayment from jointly controlled entities	-	-	90,805	140,337

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 15 to the financial statements.

(b) Compensation of key management personnel

The Company defines key management personnel as its Directors whose remunerations are detailed in Note 39(c) to the financial statements.

44. 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.

44. OPERATING LEASE ARRANGEMENTS *cont'd*

(a) The Group as lessee *cont'd*

The future aggregate minimum lease payments under non-cancellable operating leases contracted for as at the statements of financial position but not recognised as liabilities, are as follows:

	Group	
	2011	**2010**
	RM'000	**RM'000**
Future minimum rental payments:		
Not later than 1 year	1,292	1,166
Later than 1 year and not later than 5 years	873	410
	2,165	1,576

The lease payments and rent capitalised under construction contracts during the financial year are disclosed in Note 13(b).

(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 26 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 statements of financial position but not recognised as receivables, are as follows:

	Group	
	2011	**2010**
	RM'000	**RM'000**
Future minimum rental receivables:		
Not later than 1 year	59,631	27,181
Later than 1 year and not later than 5 years	196,022	98,028
Later than 5 years	24,157	47,713
	279,810	172,922

Rental income earned from these investment properties, including contingent rent recognised in the consolidated income statement during the financial year is disclosed in Notes 35 and 37.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

45. COMMITMENT

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Approved and not contracted for:				
Property, plant and equipment	-	74,242	-	-
Approved and contracted for:				
Property, plant and equipment	16,649	70,516	-	-
Land	86,081	-	-	-
Investment	540,252	42,531	-	-
Share of capital commitment of jointly controlled entities	37,871	37,871	37,871	37,871
	680,853	225,160	37,871	37,871

46. CONTINGENT LIABILITIES

	Company	
	2011	2010
	RM'000	RM'000
(a) (i) Corporate guarantees given to trade suppliers and financial institutions for credit facilities granted to subsidiaries:		
- trade suppliers	57,500	58,200
- financial institutions	757,732	558,869
	815,232	617,069
(ii) Other guarantees	15,400	15,880
	830,632	632,949

As at reporting date, no values are ascribed on these guarantees provided by the Company to secure banking facilities described above as the directors regard the value of the credit enhancement provided by these guarantees as minimal and the probability of default, based on historical track records of the parties receiving the guarantees are remote.

Other guarantees refer to guarantees given to a partner of jointly controlled entity 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 requirements.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

46. CONTINGENT LIABILITIES *cont'd*

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
(b) Performance, advance payment and tender guarantee granted to:				
- clients	606,301	731,255	606,301	656,236
- clients of subsidiaries	150,852	26,566	17,484	26,566
- clients of unincorporated jointly controlled entities	159,469	267,392	159,469	267,392
- others	6,884	5,715	-	-
	923,506	1,030,928	783,254	950,194

As at reporting date, no values are ascribed on these guarantees provided by the Company for the purpose described above as the directors regard the value of the credit enhancement provided by these guarantees as minimal and the probability of default, based on historical track records of the parties receiving the guarantees are remote.

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
(c) Letters of credit utilised by				
- subsidiaries	-	1,020	-	-
(d) Tax matters under appeal by				
- a subsidiary	3,509	2,940	-	-
- an associate	-	2,775	-	-
	3,509	5,715	-	-

(e) On 4 March 2010, Bahrain Asphalt Establishment B.S.C. (Closed) (known hereinafter as BAE) served a Request for Arbitration against Gamuda Berhad ("Gamuda") (as the 1st Respondent), WCT Berhad (as the 2nd Respondent) and Gamuda-WCT Joint Venture, Qatar (the "Gamuda-WCT JV") (as the 3rd Respondent) to refer certain alleged disputes to arbitration. The Gamuda-WCT JV entered into a subcontract with BAE on 21 February 2006 (the "sub-contractors") whereby BAE was appointed as the sub-contractor for works known as the granular sub-base and flexible pavement works ("Subcontract Works") for the JV's project known as "Dukhan Highway From Shahaniya to Zekreet" which involved the construction of a 43km new highway from Shahaniya to Zekreet, in Qatar, the construction of which has already been completed.

By its Statement of Claim, BAE is claiming from the Respondents jointly and severally, a total quantified sum of approximately QAR144.7 million (or approximately RM122.5 million) in respect of alleged prolongation, escalation and delays to the Subcontract Works, compensation for additional costs in respect of the prohibition of use of materials, damages in alleged non-compliant materials supplied as well as further unquantified sums including for legal costs, arbitration costs and interests (collectively referred to as "Claims").

On 5 February 2012, the respective parties claims were amended, total quantified sum of BAE claims increased to QAR148 million (or approximately RM125.8 million) and the respondents counterclaim were revised to QAR63 million (or approximately RM53.6 million).

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

46. CONTINGENT LIABILITIES *cont'd*

(e) The Arbitration Tribunal to resolve the dispute above has been duly constituted with the appointment of the Tribunal Chairman and the respective Co-Arbitrators by the International Chamber of Commerce ("ICC") and the evidentiary hearing has now been concluded and is now pending the issuance of the Tribunal's decision and award.

47. 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.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis points higher/lower, with all other variables held constant, the Group's profit net of tax would have been RM304,460 lower/higher, arising mainly as a result of higher/lower interest expense on floating rate loans, borrowings and higher/lower interest income.

47. FINANCIAL INSTRUMENTS *cont'd*

(b) Interest rate risk *cont'd*

The following tables set out the carrying amounts, the weighted average effective interest rates ("WAEIR") as at the statements of financial position 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 2011									
Group									
Fixed rate									
Deposits	16	2.62	523,116	-	-	-	-	-	523,116
Hire purchase creditors	21	5.24	(13,574)	(2,860)	(1,830)	-	-	-	(18,264)
Term loans	24	6.49	(8,720)	(9,454)	(12,128)	(13,108)	(14,281)	(109,392)	(167,083)
IMTN	27	5.10	-	(100,000)	-	-	-	-	(100,000)
BAIDS	25	6.65	(40,000)	-	-	-	-	-	(40,000)
SUKUK	26	5.13	(99,305)	(96,194)	-	-	-	-	(195,499)
Bonds	28	4.90	-	(293,878)	-	(264,615)	-	-	(558,493)
Floating rate									
Bank overdrafts	22	7.42	(10,636)	-	-	-	-	-	(10,636)
Bankers' acceptances	23	3.64	(24,395)	-	-	-	-	-	(24,395)
Revolving credits	23	4.37	(70,000)	-	-	-	-	-	(70,000)
Term loans	24	4.13	(199,429)	-	-	-	-	-	(199,429)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

47. 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 2011									
Company									
Fixed rate									
Deposits	16	2.62	446,964	-	-	-	-	-	446,964
Hire purchase creditors	21	5.55	(372)	(212)	(54)	-	-	-	(638)
IMTN	27	5.10	-	(100,000)	-	-	-	-	(100,000)
BAIDS	25	6.65	(40,000)	-	-	-	-	-	(40,000)
SUKUK	26	5.13	(99,305)	(96,194)	-	-	-	-	(195,499)
Bonds	28	4.90	-	(293,878)	-	(264,615)	-	-	(558,493)
Floating rate									
Bank overdrafts	22	7.50	(2,970)	-	-	-	-	-	(2,970)
Bankers' acceptances	23	3.85	(10,473)	-	-	-	-	-	(10,473)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

47. 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 2010									
Group									
Fixed rate									
Deposits	16	2.21	940,290	-	-	-	-	-	940,290
Hire purchase creditors	21	5.32	(13,523)	(11,203)	(362)	-	-	-	(25,088)
Term loans	24	6.75	(8,453)	(8,720)	(9,454)	(10,598)	(11,068)	(79,863)	(128,156)
IMTN	27	5.00	(200,000)	-	(100,000)	-	-	-	(300,000)
BAIDS	25	6.65	(30,000)	(40,000)	-	-	-	-	(70,000)
SUKUK	26	5.07	(99,341)	(96,354)	(93,268)	-	-	-	(288,963)
Bonds	28	4.90	-	-	(280,867)	-	(265,124)	-	(545,991)
Floating rate									
Bank overdrafts	22	7.13	(7,886)	-	-	-	-	-	(7,886)
Bankers' acceptances	23	3.07	(18,236)	-	-	-	-	-	(18,236)
Revolving credits	23	4.16	(70,000)	-	-	-	-	-	(70,000)
Term loans	24	3.65	(58,000)	(120,541)	-	-	-	-	(178,541)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

47. 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 2010									
Company									
Fixed rate									
Deposits	16	2.07	896,758	-	-	-	-	-	896,758
Hire purchase creditors	21	5.30	(224)	(224)	(57)	-	-	-	(505)
IMTN	27	5.00	(200,000)	-	(100,000)	-	-	-	(300,000)
BAIDS	25	6.65	(30,000)	(40,000)	-	-	-	-	(70,000)
SUKUK	26	5.07	(99,341)	(96,354)	(93,268)	-	-	-	(288,963)
Bonds	28	4.90	-	-	(280,867)	-	(265,124)	-	(545,991)
Floating rate									
Bankers' acceptances	23	3.39	(5,334)	-	-	-	-	-	(5,334)

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 risk.

(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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

47. FINANCIAL INSTRUMENTS *cont'd*

(c) Foreign currency risk *cont'd*

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.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in AED, QAR, BHD and USD against the respective functional currencies of the Group's entities, with all variables held constant.

		Group		Company	
		2011 RM'000 Profit net of tax	2010 RM'000 Profit net of tax	2011 RM'000 Profit net of tax	2010 RM'000 Profit net of tax
AED/RM -	Strengthen 3%	7,834	8,892	2,357	1,056
	Weakened 3%	(7,834)	(8,892)	(2,357)	(1,056)
QAR/RM -	Strengthen 3%	1,535	6,052	1,535	6,052
	Weakened 3%	(1,535)	(6,052)	(1,535)	(6,052)
BHD/RM -	Strengthen 3%	(1,263)	(1,329)	-	-
	Weakened 3%	1,263	1,329	-	-
USD/RM -	Strengthen 3%	506	488	506	488
	Weakened 3%	(506)	(488)	(506)	(488)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

47. FINANCIAL INSTRUMENTS *cont'd*

(c) Foreign currency risk *cont'd*

The net unhedged financial assets and liabilities of the Group's companies that are not denominated in their functional currencies are as follows:

	Net financial assets/(liabilities) held in non-functional currencies							
	Ringgit Malaysia	United States Dollars	Bahrain Dinars	Euro	UAE Dirhams	Indian Rupees	British Pound	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Functional Currency of Group's Companies								
At 31 December 2011								
Ringgit Malaysia	-	16,602	154	-	84	-	-	16,840
Bahrain Dinars	-	6	-	78	1,516	-	-	1,600
Qatari Riyal	(4,951)	49	-	-	-	-	-	(4,902)
United States Dollars	-	-	-	-	-	51,543	-	51,543
UAE Dirhams	-	-	-	1,968	-	-	-	1,968
Vietnamese Dong	-	113	-	-	-	-	-	113
	(4,951)	16,770	154	2,046	1,600	51,543	-	67,162
At 31 December 2010								
Ringgit Malaysia	-	215	7,922	-	842	-	-	8,979
Bahrain Dinars	148	16	-	(1,082)	(3,132)	-	228	(3,822)
Qatari Riyal	(14,623)	350	-	-	-	-	-	(14,273)
United States Dollars	-	-	-	-	-	67,109	-	67,109
UAE Dirhams	-	-	(4,055)	1,032	-	-	-	(3,023)
Vietnamese Dong	-	150	-	-	-	-	-	150
	(14,475)	731	3,867	(50)	(2,290)	67,109	228	55,120

47. FINANCIAL INSTRUMENTS *cont'd*

(d) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by bank borrowings.

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand RM'000	Less than 1 year RM'000	2 - 5 years RM'000	Total RM'000
Group				
As at 31 December 2011				
Trade and other payables	-	958,193	435,091	1,393,284
Loans and borrowings	-	466,754	963,053	1,429,807
	-	1,424,947	1,398,144	2,823,091
Company				
As at 31 December 2011				
Trade and other payables	-	226,534	89,360	315,894
Due to related companies	164,950	-	33,741	198,691
Loans and borrowings	-	153,815	800,266	954,081
	164,950	380,349	923,367	1,468,666

(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.

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 concentration of credit risk is disclosed in Notes 13(a).

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

47. FINANCIAL INSTRUMENTS *cont'd*

(e) Credit risk *cont'd*

The exposure of credit risk for trade receivables as at the end of the reporting period by geographic region are as follows:

	Group	
	2011 RM'000	2010 RM'000
Malaysia	459,240	481,904
Middle East	549,462	762,014
	1,008,702	1,243,918

(f) Fair values

The carrying amounts of financial assets and liabilities of the Group's and of the Company's at the statements of financial position date approximate their fair values except for the following:

		Group		Company	
	Note	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
At 31 December 2011					
Financial assets					
Non-current unquoted shares	10	9,750	*	-	-
Financial liabilities					
Hire purchase payables	21	18,264	17,461	638	483
Term loans	24	366,512	320,508	-	-
IMTN	27	100,000	99,786	100,000	99,786
BAIDS	25	40,000	39,546	40,000	39,546
SUKUK	26	195,499	191,057	195,499	191,057
Bonds	28	558,493	551,438	558,493	551,438
		1,278,768	1,219,796	894,630	882,310

47. FINANCIAL INSTRUMENTS *cont'd*

(f) Fair values *cont'd*

The carrying amounts of financial assets and liabilities of the Group's and of the Company's at the statement of financial position date approximate their fair values except for the following: *cont'd*

		Group		Company	
	Note	Carrying amount	Fair value	Carrying amount	Fair value
		RM'000	RM'000	RM'000	RM'000
At 31 December 2010					
Financial assets					
Non-current unquoted shares	10	9,804	*	-	-
Financial liabilities					
Hire purchase payables	21	25,088	24,807	505	483
Term loans	24	306,697	269,077	-	-
IMTN	27	300,000	299,013	300,000	299,013
BAIDS	25	70,000	68,492	70,000	68,492
SUKUK	26	288,963	282,686	288,963	282,686
Bonds	28	545,991	536,988	545,991	536,988
		1,536,739	1,481,063	1,205,459	1,187,662

* It is not practical to estimate the fair value of the Group'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.

The following methods and assumptions are used to estimate fair values of the following classes of financial instruments:

(i) Current receivables, cash and bank balances and current payables

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

47. FINANCIAL INSTRUMENTS *cont'd*

(f) Fair values *cont'd*

(ii) Current borrowings

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

(iii) Non-current receivables and non-current borrowings

The fair value of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending or borrowing arrangements at the reporting date.

In respect of IMTN, BAIDS, SUKUK and Bonds, fair values are estimated by discounting expected future cash flows using the indicative market rates available for each of the series.

(g) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(i) Loans and receivables ("L&R")
(ii) Available-for-sale financial assets ("AFS")
(iii) Other liabilities ("OL")

	Note	Carrying amount RM'000	L&R RM'000	OL RM'000	AFS RM'000
At 31 December 2011					
Group					
Financial assets					
Other investments	10	9,750	-	-	9,750
Trade receivables	13	1,008,702	1,008,702	-	-
Other receivables	14	730,260	730,260	-	-
Due from related parties	15	1,012	1,012	-	-
Cash and cash equivalents	16	804,003	804,003	-	-
		2,553,727	2,543,977	-	9,750
Financial liabilities					
Trade payables	18	(652,078)	-	(652,078)	-
Other payables	19	(732,552)	-	(732,552)	-
Borrowings	20	(1,383,799)	-	(1,383,799)	-
		(2,768,429)	-	(2,768,429)	-

47. FINANCIAL INSTRUMENTS *cont'd*

(g) Categories of financial instruments *cont'd*

	Note	Carrying amount RM'000	L&R RM'000	OL RM'000	AFS RM'000
At 31 December 2011					
Company					
Financial assets					
Trade receivables	13	313,414	313,414	-	-
Other receivables	14	78,930	78,930	-	-
Due from related parties	15	988,736	988,736	-	-
Cash and cash equivalents	16	477,100	477,100	-	-
		1,858,180	1,858,180	-	-
Financial liabilities					
Due to related parties	15	(164,951)	-	(164,951)	-
Trade payables	18	(19,450)	-	(19,450)	-
Other payables	19	(295,888)	-	(295,888)	-
Borrowings	20	(908,073)	-	(908,073)	-
		(1,388,362)	-	(1,388,362)	-
At 31 December 2010					
Group					
Financial assets					
Other investments	10	9,804	-	-	9,804
Trade receivables	13	1,243,918	1,243,918	-	-
Other receivables	14	506,113	506,113	-	-
Due from related parties	15	4,223	4,223	-	-
Cash and cash equivalents	16	1,162,407	1,162,407	-	-
		2,926,465	2,916,661	-	9,804
Financial liabilities					
Trade payables	18	(907,681)	-	(907,681)	-
Other payables	19	(454,894)	-	(454,894)	-
Borrowings	20	(1,632,861)	-	(1,632,861)	-
		(2,995,436)	-	(2,995,436)	-

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

47. FINANCIAL INSTRUMENTS *cont'd*

(g) Categories of financial instruments *cont'd*

	Note	Carrying amount RM'000	L&R RM'000	OL RM'000	AFS RM'000
At 31 December 2010					
Company					
Financial assets					
Trade receivables	13	226,347	226,347	-	-
Other receivables	14	6,540	6,540	-	-
Due from related parties	15	744,133	744,133	-	-
Cash and cash equivalents	16	936,854	936,854	-	-
		1,913,874	1,913,874	-	-
Financial liabilities					
Due to related parties	15	(312,538)	-	(312,538)	-
Trade payables	18	(15,547)	-	(15,547)	-
Other payables	19	(45,355)	-	(45,355)	-
Borrowings	20	(1,210,793)	-	(1,210,793)	-
		(1,584,233)	-	(1,584,233)	-

48. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to ensure optimal returns to shareholders, while maintaining flexibility in respect of future capital expenditure and acquisitions. The Board of Directors monitors and is determined to maintain an optimal debt to equity ratio which complies with debt covenants and regulatory requirements.

49. SIGNIFICANT EVENTS

During the financial year:

(a) Issuance of Warrants 2011/2016

Pursuant to the issuance of the Bonds, 157,935,129 warrants were allotted and issued on 11 March 2011. On 18 March 2011, the warrants were listed on the Main Board of Bursa Malaysia Securities Berhad.

The salient terms of the warrants are as follows:

(i) The warrants was 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 each of the Company;

(ii) The exercise price is RM2.75 per ordinary share of RM0.50 each 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;

(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 13 December 2010;

(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.

(b) Adjustment of exercise prices of the options granted pursuant to the ESOS

Pursuant to Clause 14.7(k) of the ESOS By-Laws which allows the Options Committee to make any adjustments on a different basis notwithstanding that no such adjustment formula has been explicitly set out in the By-Laws, and by applying the formula used in the adjustment of the exercise price of the existing Warrants 2008/2013 from RM3.00 to RM2.50 per ordinary share pursuant to Clause II (12) of the Memorandum to the Deed Poll dated 12 March 2008 exercise prices of the unexercised Options was adjusted and took effect from 18 February 2011.

Detail of the exercise prices adjustment is disclosed in Note 29(b).

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

49. SIGNIFICANT EVENTS *cont'd*

(c) Concession Agreement for Integrated Complex at KLIA2

On 22 September 2011, the Company entered into a concession agreement ("Concession Agreement") with Malaysia Airports Holdings Berhad ("MAHB") and Segi Astana Sdn Bhd ("SASB" or "Concession Company") for the privatisation of the construction, development and financing of the Integrated Complex ("Integrated Complex") at KLIA2 on a build-operate-transfer model ("the Project"). The construction cost of the Project is approximately RM530.3 million. The concession is for a period of up to twenty-five (25) years and may be extended for a further period of ten (10) years at the option of the Concession Company. The commencement date of the concession was 1 August 2011. Upon the expiry of the concession period, SASB shall transfer the Integrated Complex including the building, fittings and relevant documents at no cost to MAHB.

On even date, WCTL, MAHB and SASB have also entered into the Shareholders Agreement to govern the relationship of WCTL and MAHB in respect of the Project and as shareholders of SASB. WCTL's and MAHB's equity interest in SASB is in the proportion of 70% and 30% respectively.

(d) Issuance of RM470 Million Guaranteed Medium Term Notes (MTN Programme)

(i) The MTN are constituted by a Trust Deed dated 24 November 2011.

(ii) The MTN which is guaranteed by Danajamin Nasional Berhad ("Danajamin") has been assigned a rating of AAA(fg) by Malaysia Rating Corporation Berhad.

(iii) Each Series/Tranch of the MTNs is secured by a Financial Guarantee Insurance Policy issued by Danajamin in favour of the Trustee to guarantee all principal and one interest payment obligations of SASB.

(iv) The issuance of the MTN Programme of up to RM470 million has tenure of up to 14 years from the date of the first issuance. MTN have maturity days of more than 1 year and up to 14 years.

(v) The MTN contains a financial covenant to maintain minimum debt service coverage ratio of 1.25 times commencing from the third year of commercial operations and maximum debts to equity ratio of 4 times.

(vi) The terms of the Trust Deed prescribe that in the event of default, the outstanding amount of the MTN and the profit element next due will become immediately due and payable.

50. SUBSEQUENT EVENTS

(i) Issuance of ordinary share capital

Between the reporting date and the date of completion of these financial statements, the issued and fully paid-up ordinary share capital of the Company was increased from RM402,604,102 to RM408,673,777 comprising 817,347,553 ordinary shares of RM0.50 each by way of:

(i) issuance of 12,034,652 ordinary shares of RM0.50 each for cash pursuant to the Company's ESOS at exercise price ranging from RM0.61 to RM2.44 per ordinary share.

50. SUBSEQUENT EVENTS *cont'd*

(i) Issuance of ordinary share capital *cont'd*

(ii) issuance of 103,151 ordinary shares of RM0.50 each pursuant to the conversion of 515,755 ICPS of RM0.10 which was satisfied by surrendering 5 ICPS for each new ordinary share.

(iii) issuance of 800 ordinary shares of RM0.50 each pursuant to the conversion of Warrants 2008/2013 at an exercise price of RM2.50 per ordinary share for cash.

(iv) issuance of 746 ordinary shares of RM0.50 each pursuant to the conversion of Warrants 2011/2016 at an exercise price of RM2.75 per ordinary share for cash.

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

(ii) Acquisition of a subsidiary

On 14 March 2012, Iris Green Sdn. Bhd., a wholly-owned subsidiary of WCTL, which in turn is a wholly-owned subsidiary of the Company, has entered into a conditional share sale agreement with Eng Lian Enterprise Sdn. Bhd., Shen & Sons Sdn. Bhd. and AMC Sdn. Bhd. (collectively referred to as "Vendors") for the acquisition of 1,850,000 ordinary shares of RM1.00 each in Timor Barat Properties Sdn. Bhd. ("Timor Barat"), representing 100% of the issued and paid-up share capital of Timor Barat, from the Vendors for a total cash consideration of RM450,000,000 ("Proposed Acquisition").

The Proposed Acquisition is conditional upon the following approvals:

(a) the shareholders of the Company for the Proposed Acquisition at an extraordinary general meeting to be convened; and

(b) any other relevant authorities/parties, if required.

(iii) Share sale agreement

On 28 March 2012, WCTL entered into a share sale agreement with Medini Land Sdn. Bhd. to acquire 1,500,000 ordinary share of RM1.00 each at par representing the remaining 30% equity interest in One Medini Sdn. Bhd. for a purchase consideration of RM1,825,000.

(iv) New employee share options scheme

On 24 February 2012, the Company proposed to establish and implement a new ESOS of up to ten percent (10%) of the issued and paid-up ordinary share capital of the Company (excluding treasury shares) at any point in time during the existence of the Proposed ESOS, after the expiry of the existing employee share options scheme on 12 April 2012.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

51. CONTRACT DISPUTE

Pursuant to the cancellation of the contract (previously awarded to WCT (Dubai Branch) and Arabtec in a 50:50 joint venture ("the Joint Venture") for the construction works in relation to the Nad Al Sheba Racecourse Project ("Contract") in which the Joint Venture was the main contractor and pursuant further to Meydan's subsequent call on the Joint Venture's bank guarantees, the Company, on 11 January 2009, jointly with Arabtec, commenced an arbitration proceeding against Meydan in the Dubai International Arbitration Centre for breach of contract and to enforce the Joint Venture's rights and remedies including the recovery of all amounts due under the Contract as well as damages.

The Joint Venture's bank guarantees that were called comprised the Performance Security amounting to AED461.3 million (Group's share: AED230.65 million or approximately RM193.5 million) and the Advance Payment Guarantee amounting to AED77.3 million (Group's share: AED38.6 million or approximately RM32.4 million). 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 3.1(d) 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)	
	2011	2010
	RM'000	RM'000
Statements of financial position		
Non-current assets		
Property, plant and equipment	18	52
Trade receivables		
Contract receivables[1]	14,895	12,660
Amounts due from customer for contract work[1]	220,163	205,534
Retention sum receivable[1]	36,834	34,386
Other receivables		
Advance paid to suppliers and sub-contractors[1]	55,520	52,995
Performance security deposits	180,763	163,926
Others	36,722	26,584
	544,915	496,137
Current assets		
Other receivables		
Sundry receivables	4	6
Advance paid to suppliers and sub-contractors	4,032	3,890
Cash and bank balances	-	2,482
	4,036	6,378
Total assets	548,951	502,515

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

51. CONTRACT DISPUTE *cont'd*

	(Group's 50% share)	
	2011	**2010**
	RM'000	**RM'000**
Statements of financial position *cont'd*		
Non-current liabilities		
Trade payables[(2)]	4,066	3,795
Retention sum payable[(2)]	2,373	2,215
Other payables[(2)]	187,145	174,711
Performance security payable to related party	194,958	176,408
Advance received from customer[(2)]	55,520	51,831
Amounts due to related parties	130,808	98,458
	574,870	507,418
Current liabilities		
Trade payables	989	981
Other payables	8,276	8,105
Retention payable - current portion	3,908	3,802
Advance received from customer	6,574	6,384
	19,747	19,272
Total liabilities	594,617	526,690
Exchange reserve	2,326	(3,620)
Net liabilities	(45,666)	(24,175)
Deficit	(43,340)	(27,795)

(1) Include receivables of RM265 million (2010: RM257 million) in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecourse project.

(2) Include payables of RM265 million (2010: RM257 million) in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecourse project.

The Joint Venture has from time to time submitted revised claims against Meydan and the Group's share of the current revised claims is in excess of AED800 million (or approximately RM671.3 million). As to-date, the arbitration process is still ongoing and the 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 statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

51. CONTRACT DISPUTE *cont'd*

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 up on the contract to date pending the outcome of the Group's claims and conclusion of the arbitration proceedings.

52. SEGMENT INFORMATION

(a) Reporting format

The Group has 3 reportable segments as described below, which are the Group's strategic business units. Management monitors the operating results of its business segments for the purpose of decision making. Segment performance is evaluated based on profitability and is measured consistently with operating profit in the consolidated financial statements. However, Group's financing and income taxes are managed on a group basis and are not allocated to operating segments.

(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; and

(iii) property investment - holding of assets for capital appreciation and rental income.

(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 government administration building in Doha, Qatar 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) Others - primarily investment holding companies in Mauritius and Vietnam; and

(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 between business segments. These transfers are eliminated on consolidation.

52. SEGMENT INFORMATION *cont'd*

Business segments

The following table provides an analysis of the Group's revenue, results, assets and liabilities by business segment:

	Civil engineering and construction RM'000	Property development RM'000	Property investment RM'000	Unallocated RM'000	Eliminations RM'000	Consolidated RM'000
31 December 2011						
Revenue						
Revenue from external customers	1,206,814	279,464	52,311	-	-	1,538,589
Inter-segment revenue	744,506	25,000	-	-	(769,506)	-
Total revenue	1,951,320	304,464	52,311	-	(769,506)	1,538,589
Result						
Profit from operations	163,500	54,933	39,016	-	-	257,449
Finance costs	-	-	-	-	-	(66,661)
Share of profit of associates	-	-	-	16,750	-	16,750
Taxation	-	-	-	-	-	(44,609)
Profit after taxation						162,929
Assets						
Segment assets	2,402,703	967,544	1,015,581	-	-	4,385,828
Unallocated assets	-	-	-	571	-	571
Share of associates assets	-	-	-	159,529	-	159,529
Deferred tax	389	22,894	341	-	-	23,624
Consolidated total assets						4,569,552
Liabilities						
Segment liabilities	2,215,672	557,799	1,609	-	-	2,775,080
Unallocated liabilities	-	-	-	67	-	67
Deferred tax	5,747	44,558	-	-	-	50,305
Consolidated total liabilities						2,825,452

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011
cont'd

52. SEGMENT INFORMATION *cont'd*

Business segments *cont'd*

	Civil engineering and construction RM'000	Property development RM'000	Property investment RM'000	Unallocated RM'000	Eliminations RM'000	Consolidated RM'000
31 December 2010						
Revenue						
Revenue from external customers	1,442,860	231,045	34,596	-	-	1,708,501
Inter-segment revenue	936,987	28,320	-	-	(965,307)	-
Total revenue	2,379,847	259,365	34,596	-	(965,307)	1,708,501
Result						
Profit from operations	195,410	42,003	62,725	-	-	300,138
Finance costs	-	-	-	-	-	(50,360)
Share of profit of associates	-	-	-	16,993	-	16,993
Taxation	-	-	-	-	-	(47,949)
Profit after taxation						218,822
Assets						
Segment assets	3,006,370	566,412	794,538	-	-	4,367,320
Unallocated assets	-	-	-	1,979	-	1,979
Share of associates assets	-	-	-	176,966	-	176,966
Deferred tax	5,572	1,593	54	-	-	7,219
Consolidated total assets						4,553,484
Liabilities						
Segment liabilities	2,510,020	484,933	1,562	-	-	2,996,515
Unallocated liabilities	-	-	-	57	-	57
Deferred tax	4,940	20,444	-	-	-	25,384
Consolidated total liabilities						3,021,956

52. SEGMENT INFORMATION *cont'd*

Geographical segments

The following table provides an analysis of the Group's revenue and assets, analysed by geographical segments:

	Total revenue from external customers		Segment assets	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Malaysia	1,165,973	1,195,130	2,974,783	2,950,255
Middle East	372,616	513,371	1,403,579	1,414,131
India	-	-	175,331	173,384
Others	-	-	15,859	15,714
Consolidated	1,538,589	1,708,501	4,569,552	4,553,484

SUPPLEMENTARY INFORMATION

53. REALISED AND UNREALISED PROFIT

The following analysis is prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad.

	2011 RM'000	(Restated) 2010 RM'000
Total retained profits of the Company and it's subsidiaries:-		
- Realised	1,123,479	1,054,426
- Unrealised	28,468	(17,991)
	1,151,947	1,036,435
Total share of retained profits from associated companies:-		
- Realised	68,832	52,970
- Unrealised	(359)	(1,245)
	68,473	51,725
Total share of retained profits from jointly controlled entities:-		
- Realised	(53,657)	(150,254)
- Unrealised	(1,564)	(1,546)
	(55,221)	(151,800)
Less: Consolidation adjustment	(561,216)	(434,446)
Total Group retained profits as per consolidated accounts	603,983	501,914

TEN LARGEST PROPERTIES OF THE GROUP

No.	Location	Description	Land area or Built-up Area under Valuation (sq ft = sf)	Tenure/ Age of Building (where applicable) (Years)	Existing Use	No. Of Units	Date of Valuation/ Acquisition	NBV as at 31 December 2011 RM
1.	Master Title Nos. PN34122 (formerly 112947), PN34120 (formerly 112948), PN34125 (formerly 226735), PN34124 (formerly 112950), 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	An on-going commercial development	12.9 acres	Leasehold interest 99 years expiring on 14 July 2096	Property Development Project	-	Acquisition: March 2005	165,977,711
		Investment properties			On-going development			361,178,741
								527,156,452
2.	1, Persiaran Batu Nilam 1/KS 6, Bandar Bukit Tinggi 2 41200 Klang Selangor Darul Ehsan	A 6-storey shopping mall	12.169 acres	Freehold /5	Leased to AEON	1	Valuation: December 2011	374,514,322
3.	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	Freehold	Property Development Project		Acquisition: October 2002	188,486,419
4.	Part of the land held under Title No. Town Lease 017544866, District of Kota Kinabalu, Locality of Sembulan, State of Sabah	An on-going residential development	21.5 acres	Master title: Leasehold interest 99 years expiring on 31 December 2091	Property Development Project		Acquisition: February 2006	53,679,942

TEN LARGEST PROPERTIES OF THE GROUP
cont'd

No.	Location	Description	Land area or Built-up Area under Valuation (sq ft = sf)	Tenure/ Age of Building (where applicable) (Years)	Existing Use	No. Of Units	Date of Valuation/ Acquisition	NBV as at 31 December 2011 RM
5.	Title No. H.S.(D) 135785, PT 129227, Mukim Klang, Daerah Klang, Negeri Selangor.	Proposed mixed development	56.57 acres	Freehold	Property Development Project	1	Acquisition: December 2009	45,615,390
6.	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		Freehold	Property Development Project	-	Acquisition: June 1996	11,647,697
		Unsold units of Shop apartment	1,173 sf to 1,630 sf Total = 5,861 sf	Freehold /12	Vacant	4		332,351
		Unsold units of Shop office	216 sf Total = 6,480 sf	Freehold /13	Vacant	30		170,899
		Unsold units of Tower A	2,577 sf to 5,146 sf Total = 96,415 sf	Freehold /4	Vacant	21		17,193,965
		Unsold units of Tower B	987 sf to 8,270 sf Total = 65,146 sf	Freehold /4	Vacant	13		13,242,839
		Unsold units of Double /2½ storey semi-detached house	3,231 sf	Freehold /4	Vacant	1		844,855
								43,432,606

TEN LARGEST PROPERTIES OF THE GROUP
cont'd

No.	Location	Description	Land area or Built-up Area under Valuation (sq ft = sf)	Tenure/ Age of Building (where applicable) (Years)	Existing Use	No. Of Units	Date of Valuation/ Acquisition	NBV as at 31 December 2011 RM
7.	Seven (7) parcels of land: Geran 44426 Lot 1115 Geran 45140 Lot 1263 Geran 45141 Lot 1264 Geran 37880 Lot 1942 Geran 51351 Lot 2061 Geran 51352 Lot 2062 Geran 46257 Lot 1728 Mukim of Serendah, District of Ulu Selangor, State of Selangor	Future mixed development	467.8 acres or 189.3 hectares	Freehold	Vacant	-	Acquisition : SPA date - 14 Oct 2011	40,161,434
8.	Formerly held under 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	Freehold	Property Development Project	-	Acquisition: November 1999	30,457,679
		Unsold units of Low-cost shop	846 sf each Total = 4,230 sf	Freehold /5	Vacant	5	-	422,507
		Unsold units of Low-cost apartment	650 sf each Total = 13,000 sf	Freehold /9	Vacant	20	-	760,000
								31,640,186
9.	Block B,Menara Pandan MPAJ Square, Jalan Pandan Utama, Pandan Indah, 55100 Kuala Lumpur	10 storey of office suites and 2 levels of carpark space	435,600 sf /299,500 sf	Title has not been issued by the State Authority /14	Level 9 to level 17 tenanted to a third party	1	Valuation: December 2011	31,000,000
10.	Property No. 0013, Road No. 52, Block No. 952, Raszuwaid Kingdom of Bahrain	Warehouse/ Labour accomodation	151,201.9 sf	Freehold /5	Warehouse/ Labour accommodation	1	Valuation: December 2008	21,804,580

ANALYSIS OF SHAREHOLDINGS
as at 30 March 2012

Authorised Share Capital as at 30 March 2012	: 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	: 817,347,553 Ordinary Shares of RM0.50 each
Total Outstanding Preference Shares	: 11,248,800 Irredeemable Convertible Preference Shares of RM0.10 each
Total Issued & Paid-up Share Capital	: RM409,798,657.00

(A) ORDINARY SHARES AS AT 30 MARCH 2012

Total Issued Ordinary Shares	: 817,347,553 Ordinary Shares of RM0.50 each
Voting rights	: One (1) vote per ordinary share of RM0.50 each

(1) Analysis by size of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	1,852	18.59	89,379	0.01
100 - 1,000	2,187	21.96	1,192,941	0.14
1,001 - 10,000	4,084	41.00	17,582,255	2.16
10,001 and 100,000	1,486	14.92	46,510,483	5.69
100,001 to less than 5% of issued shares	349	3.50	459,837,659	56.26
5% and above of issued shares	3	0.03	292,134,836	35.74
Total	**9,961**	**100.00**	**817,347,553**	**100.00**

(2) Thirty Largest Shareholders

No.	Names	No. of Shares	%
1	WCT Capital Sdn Bhd	152,400,462	18.65
2	Citigroup Nominees (Tempatan) Sdn Bhd *(Employees Provident Fund Board)*	94,282,974	11.54
3	Kumpulan Wang Persaraan (DiPerbankan)	45,451,400	5.56
4	Lembaga Tabung Haji	38,854,500	4.75
5	HSBC Nominees (Asing) Sdn Bhd *(Exempt AN for JPMorgan Chase Bank, National Association (Norges BK Lend))*	24,163,700	2.96
6	AmanahRaya Trustees Berhad *(Amanah Saham Malaysia)*	23,074,500	2.82
7	Valuecap Sdn Bhd	21,150,000	2.59
8	AmanahRaya Trustees Berhad *(Amanah Saham Didik)*	16,224,900	1.99
9	Citigroup Nominees (Tempatan) Sdn Bhd *(Employees Provident Fund Board (PHEIM))*	13,828,323	1.69
10	Malaysia Nominees (Tempatan) Sendirian Berhad *(Great Eastern Life Assurance (Malaysia) Berhad (PAR 1))*	13,735,900	1.68

ANALYSIS OF SHAREHOLDINGS
as at 30 March 2012
cont'd

(2) Thirty Largest Shareholders *cont'd*

No.	Names	No. of Shares	%
11	AmanahRaya Trustees Berhad *(Amanah Saham Wawasan 2020)*	13,588,000	1.66
12	AmanahRaya Trustees Berhad *(Public Islamic Select Treasures Fund)*	11,407,200	1.40
13	AmanahRaya Trustees Berhad *(Skim Amanah Saham Bumiputera)*	10,740,000	1.31
14	Citigroup Nominees (Tempatan) Sdn Bhd *(Employees Provident Fund Board (KIB))*	8,358,100	1.02
15	Ara Holdings Sdn Bhd	6,615,410	0.81
16	AMMB Nominees (Tempatan) Sdn Bhd *(AmBank (M) Berhad for WCT Capital Sdn Bhd)*	6,500,000	0.80
17	Citigroup Nominees (Asing) Sdn Bhd *(CBNY for Dimensional Emerging Markets Value Fund)*	5,799,900	0.71
18	Goh Chin Liong	5,478,033	0.67
19	Citigroup Nominees (Tempatan) Sdn Bhd *(Employees Provident Fund Board (HDBS))*	5,455,300	0.67
20	AmanahRaya Trustees Berhad *(Public Islamic Equity Fund)*	5,298,000	0.65
21	Cartaban Nominees (Asing) Sdn Bhd *(SSBT Fund D26J for Emerging Markets Global Small Capitalization Fund (TEMMUF))*	4,996,400	0.61
22	Malaysia Nominees (Tempatan) Sendirian Berhad *(Great Eastern Life Assurance (Malaysia) Berhad (PAR 3))*	4,491,400	0.55
23	Citigroup Nominees (Tempatan) Sdn Bhd *(Exempt AN for American International Assurance Berhad)*	4,478,400	0.55
24	HSBC Nominees (Asing) Sdn Bhd *(Exempt AN for JPMorgan Chase Bank, National Association (U.S.A))*	4,334,500	0.53
25	Malaysia Nominees (Tempatan) Sendirian Berhad *(Great Eastern Life Assurance (Malaysia) Berhad (PAR 2))*	4,270,000	0.52
26	HSBC Nominees (Asing) Sdn Bhd *(Exempt AN for JPMorgan Chase Bank, National Association (U.A.E))*	4,260,000	0.52
27	AmanahRaya Trustees Berhad *(Sekim Amanah Saham Nasional)*	3,944,000	0.48
28	HSBC Nominees (Asing) Sdn Bhd *(TNTC for the Caravel Fund (International) Ltd)*	3,930,000	0.48
29	Citigroup Nominees (Tempatan) Sdn Bhd *(ING Insurance Berhad (INV-IL PAR))*	3,729,500	0.46
30	Mayban Nominees (Tempatan) Sdn Bhd *(Etiqa Takaful Berhad (Family PRF EQ))*	3,689,800	0.45
		564,530,602	**69.08**

ANALYSIS OF SHAREHOLDINGS
as at 30 March 2012
cont'd

(3) Substantial Shareholders

(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	2,146,445	0.26	161,633,794[1]	19.77
Wong Sewe Wing	669,341	0.08	161,633,794[1]	19.77
WCT Capital Sdn Bhd	161,633,794	19.77	-	-
Cash Carat Sdn Bhd	-	-	161,633,794[2]	19.77
Employees Provident Fund Board	133,484,897	16.33	-	-
Kumpulan Wang Persaraan (Diperbadankan)	50,411,400	6.17	-	-
Lembaga Tabung Haji	42,054,300	5.14	-	-
Oversea-Chinese Banking Corporation Limited	41,092,232	5.03	-	-

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.*

(B) IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS") AS AT 30 MARCH 2012

Outstanding ICPS	: 11,248,800 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

Size of ICPS Holdings	No. of ICPS Holders	%	No. of Outstanding ICPS	%
Less than 100	64	8.80	2,242	0.02
100 - 1,000	52	7.15	27,469	0.24
1,001 - 10,000	396	54.47	1,984,939	17.64
10,001 and 100,000	206	28.34	5,265,053	46.82
100,001 to less than 5% of outstanding ICPS	6	0.83	1,495,465	13.29
5% and above of outstanding ICPS	3	0.41	2,473,632	21.99
Total	**727**	**100.00**	**11,248,800**	**100.00**

ANALYSIS OF SHAREHOLDINGS
as at 30 March 2012
cont'd

(2) Thirty Largest ICPS Holders

No.	Names	No. of ICPS	%
1	Universal Trustee (Malaysia) Berhad *(CIMB-Principal Equity Fund)*	1,038,888	9.24
2	Tokio Marine Life Insurance Malaysia Bhd *(As Beneficial Owner (PF))*	818,077	7.27
3	AmanahRaya Trustees Berhad *(ASM Premier Fund)*	616,667	5.48
4	Khoo Loon Im	446,667	3.97
5	Lim Seng Qwee	311,110	2.77
6	Ng Kim Neo	304,888	2.71
7	Long Jin Lek	169,800	1.51
8	Public Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Yap Kok Keong (E-TSA))*	140,000	1.24
9	Amsec Nominees (Tempatan) Sdn Bhd *(Assar Asset Management Sdn Bhd for Lembaga Kumpulan Wang Kawasan Konsesi Hutan (FM-ASSAR-LKW))*	123,000	1.09
10	HSBC Nominees (Tempatan) Sdn Bhd *(HSBC (Malaysia) Trustee Berhad for Amanah Saham Sarawak)*	100,000	0.89
11	Yeap Soon Teong Sdn Bhd	100,000	0.89
12	Lok Kok Shing @ Loke Kwok Kheong	94,400	0.84
13	Chong Khah Shin	89,000	0.79
14	Wong Thian Soon	85,000	0.76
15	Chua Eng Kiat	80,900	0.72
16	Beh Eng Par	77,777	0.69
17	Teoh Guat Khim	77,200	0.69
18	Liew Shan Foong	75,000	0.67
19	Tan Aik Huang	75,000	0.67
20	HLG Nominees (Asing) Sdn Bhd *(Pledged Securities Account for Vijay Kumar Raj)*	70,600	0.63
21	Eu Mui @ Ee Soo Mei	70,000	0.62
22	Saw Khay Chee	67,200	0.60
23	Rona Ting Pick Choo	64,000	0.57
24	Lim Kock Hwa	63,000	0.56
25	Chew Tin Su	62,222	0.55
26	Amsec Nominees (Tempatan) Sdn Bhd *(Assar Asset Management Sdn Bhd for Bintulu Development Authority (FM-ASSAR-BDA))*	62,000	0.55

ANALYSIS OF SHAREHOLDINGS
as at 30 March 2012
cont'd

(2) Thirty Largest ICPS Holders *cont'd*

No.	Names	No. of ICPS	%
27	Lim Teik Seng	61,400	0.55
28	Chau Mei Lan	60,000	0.53
29	Kenanga Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Lee Song Jee)*	59,733	0.53
30	Lo Lip Siang	58,543	0.52
		5,522,072	**49.10**

(C) WARRANTS 2008/2013 ("WARRANTS B") AS AT 30 MARCH 2012

Outstanding Warrants : 139,350,003 Warrants
Issue Price : RM0.25 each
Exercise Price : RM2.50 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

Size of Warrants	No. of Warrants Holders	%	No. of Outstanding Warrants	%
Less than 100	29	1.28	1,141	0.01
100 - 1,000	379	16.71	329,863	0.23
1,001 - 10,000	911	40.17	5,336,458	3.83
10,001 and 100,000	756	33.33	26,983,806	19.36
100,001 to less than 5% of outstanding Warrants	192	8.47	76,712,436	55.05
5% and above of outstanding Warrants	1	0.04	29,986,299	21.52
Total	**2,268**	**100.00**	**139,350,003**	**100.00**

ANALYSIS OF SHAREHOLDINGS
as at 30 March 2012
cont'd

(2) Thirty Largest Warrants Holders

No.	Names	No. of Warrants	%
1	WCT Capital Sdn Bhd	29,986,299	21.52
2	Mayban Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Lim Gim Leong)*	5,262,800	3.78
3	Dushyanthi Perera	4,000,000	2.87
4	Public Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Lim Gim Leong (E-KLC))*	3,154,500	2.26
5	Wong Ah Kum	2,600,000	1.87
6	Cimsec Nominees (Tempatan) Sdn Bhd *(CIMB Bank for Chia Kwoon Meng)*	2,595,100	1.86
7	Mercsec Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Tiong Nam Logistics Holdings)*	2,500,000	1.79
8	JS Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Nazimah Binti Syed Majid)*	2,393,000	1.72
9	AIBB Nominees (Tempatan) Sdn Bhd (Low Mei Loon)	1,381,000	0.99
10	Taing Kim Hwa	1,377,263	0.99
11	Chrisantha Priyange Richard Perera	1,268,700	0.91
12	Cimsec Nominees (Tempatan) Sdn Bhd *(CIMB for Lim Beng Leong (PB))*	1,120,000	0.80
13	Ngan Kok Hai	1,065,000	0.76
14	Wang Sze Yao @ Wang Ming Way	1,010,500	0.73
15	Mercsec Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for TNTT Realty Sdn Bhd)*	970,000	0.70
16	Wang Sze Yao @ Wang Ming Way	860,000	0.62
17	Chan Wah Heng	836,500	0.60
18	Goh Chin Liong	803,000	0.58
19	Chin Chin Seong	732,000	0.53
20	Cimsec Nominees (Tempatan) Sdn Bhd *(CIMB Bank for Ong Yoong Nyock)*	650,000	0.47
21	Chong Hoi Yong	647,000	0.46
22	Tan Yu Wei	620,000	0.44
23	RHB Nominees (Tempatan) Sdn Bhd *(RHB Investment Management Sdn Bhd for Lee Yuen Chak (EPF))*	601,300	0.43
24	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad *(Exempt AN for Kumpulan Sentiasa Cemerlang Sdn Bhd (TSTAC/CLNT))*	592,133	0.42
25	Looi Yee Kong	550,000	0.39

ANALYSIS OF SHAREHOLDINGS
as at 30 March 2012
cont'd

(2) Thirty Largest Warrants Holders *cont'd*

No.	Names	No. of Warrants	%
26	Choe Kai Keong	526,400	0.38
27	Citigroup Nominees (Asing) Sdn Bhd *(Exempt AN for OCBC Securities Private Limited (Client A/C-NR))*	522,666	0.38
28	Saw Wah Theng	520,000	0.37
29	HDM Nominees (Tempatan) Sdn Bhd *(UOB Kay Hian Pte Ltd for Chen Joon Lee)*	500,000	0.36
30	RHB Capital Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Choong Foong Ming (CEB))*	500,000	0.36
		70,145,161	**50.34**

(D) WARRANTS 2011/2016 ("WARRANTS C") AS AT 30 MARCH 2012

Outstanding Warrants	: 157,210,951 Warrants
Issue Price	: RM0.34 each
Exercise Price	: RM2.75 per Ordinary Share
Exercise Ratio	: One (1) Warrant is exercisable into one (1) new Ordinary Share
Expiry Date	: 10 March 2016
Voting Rights	: One (1) vote for each Warrant held

(1) Analysis by size of Warrants Holdings

Size of Warrants	No. of Warrants Holders	%	No. of Outstanding Warrants	%
Less than 100	13	0.35	300	0.00
100 - 1,000	1,141	30.47	594,553	0.38
1,001 - 10,000	1,380	36.85	6,712,159	4.27
10,001 and 100,000	985	26.30	34,367,571	21.85
100,001 to less than 5% of outstanding Warrants	225	6.01	75,651,510	48.13
5% and above of outstanding Warrants	1	0.02	39,884,858	25.37
Total	**3,745**	**100.00**	**157,210,951**	**100.00**

ANALYSIS OF SHAREHOLDINGS
as at 30 March 2012
cont'd

(2) Thirty Largest Warrants Holders

No.	Names	No. of Warrants	%
1	WCT Capital Sdn Bhd	39,884,858	25.37
2	Chan Soon Huat	4,123,500	2.62
3	Malaysia Nominees (Tempatan) Sendirian Berhad *(Great Eastern Life Assurance (Malaysia) Berhad (PAR 1))*	2,319,720	1.48
4	OSK Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Wong Tow Fock)*	1,891,000	1.20
5	RHB Capital Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Gan Wan Koon)*	1,680,000	1.07
6	Cimsec Nominees (Tempatan) Sdn Bhd *(CIMB Bank for Tan Seng Kow)*	1,647,500	1.05
7	RHB Capital Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Lim Beng Teck (CEB))*	1,600,000	1.02
8	Cimsec Nominees (Tempatan) Sdn Bhd *(CIMB for Teoh Cheng Cheng (PB))*	1,425,200	0.91
9	Citigroup Nominees (Tempatan) Sdn Bhd *(Employees Provident Fund Board)*	1,387,700	0.88
10	HDM Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Chia Kwoon Meng)*	1,343,400	0.85
11	Maybank Securities Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Ong Fee Chong)*	1,287,700	0.82
12	Citigroup Nominees (Tempatan) Sdn Bhd *(Employees Provident Fund Board (PHEIM))*	1,161,024	0.74
13	Goh Chin Liong	1,100,000	0.70
14	Chan Hing	1,100,000	0.70
15	HDM Nominees (Tempatan) Sdn Bhd *(UOB Kay Hian Pte Ltd for Chen Joon Lee)*	1,000,000	0.64
16	Tan Kee Huah	1,000,000	0.64
17	Lim Chin Sean	1,000,000	0.64
18	Maybank Securities Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Lee Siu Wah)*	865,800	0.55
19	Ara Holdings Sdn Bhd	850,000	0.54
20	Cimsec Nominees (Tempatan) Sdn Bhd *(CIMB Bank for Yap Yee Wah)*	650,000	0.41
21	Cimsec Nominees (Tempatan) Sdn Bhd *(CIMB Bank for Ho Sey Chen (PB))*	600,000	0.38
22	Mayban Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Ng See Hien)*	600,000	0.38

ANALYSIS OF SHAREHOLDINGS
as at 30 March 2012
cont'd

(2) Thirty Largest Warrants Holders *cont'd*

No.	Names	No. of Warrants	%
23	Saw Teng Teng	600,000	0.38
24	Chung Tze Ye	557,000	0.35
25	Amsec Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Parmjit Singh a/l Meva Singh)*	550,000	0.35
26	Cimsec Nominees (Tempatan) Sdn Bhd *(CIMB Bank for Tai Choon Seng)*	547,600	0.35
27	Lee Ah Beng	529,600	0.34
28	Lee Phaik Kooi	521,900	0.33
29	Chong Kian Seng	520,000	0.33
30	Looi Yee Kong	500,000	0.32
		72,843,502	**46.34**

(E) STATEMENT OF DIRECTORS' INTERESTS IN THE SECURITIES OF THE COMPANY AS AT 30 MARCH 2012

(1) Directors' Interests in Ordinary Shares

(In accordance with the Register maintained under Section 134 of the Companies Act, 1965)

	Direct Interest		Deemed Interest	
Director	No. of Shares	%	No. of Shares	%
Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid	1,278,332	0.16	27,000[2]	0.003
Taing Kim Hwa	2,146,445	0.26	161,633,794[1]	19.77
Goh Chin Liong	5,478,033	0.67	-	-
Choe Kai Keong	2,486,307	0.30	-	-
Liang Kai Chong	3,140,394	0.38	203,498[2]	0.03
Cheah Hon Kuen	747,872	0.09	-	-
Choo Tak Woh	-	-	303,112[2]	0.04

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' Interests in Warrants 2008/2013

(In accordance with the Register maintained under Section 134 of the Companies Act, 1965)

	Direct Interest		Deemed Interest	
Name	**No. of Warrants**	**%**	**No. of Warrants**	**%**
Taing Kim Hwa	1,607,863	1.15	29,986,299[1]	21.52
Goh Chin Liong	803,000	0.58	-	-
Choe Kai Keong	526,400	0.38	-	-
Cheah Hon Kuen	54,000	0.04	-	-

Note to interest in warrants:-

[1] *Deemed interested by virtue of his 50% direct interest in Cash Carat Sdn Bhd, the holding company of WCT Capital Sdn Bhd.*

(3) Directors' Interests in Warrants 2011/2016

(In accordance with the Register maintained under Section 134 of the Companies Act, 1965)

	Direct Interest		Deemed Interest	
Name	**No. of Warrants**	**%**	**No. of Warrants**	**%**
Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid	100,000	0.06	-	-
Taing Kim Hwa	601,000	0.38	39,964,858[1]	25.42
Goh Chin Liong	1,100,000	0.70	-	-
Choe Kai Keong	493,100	0.31	-	-
Liang Kai Chong	506,545	0.32	40,699[2]	0.03
Cheah Hon Kuen	50,000	0.03	-	-

Note to interest in warrants:-

[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's direct interest in the Company.*

NOTICE OF
THIRTY FIRST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty First Annual General Meeting ("AGM") of WCT Berhad will be held at Ballroom 1, Ground Floor, Première Hotel, Bandar Bukit Tinggi 1/KS6 Jalan Langat, 41200 Klang, Selangor Darul Ehsan, Malaysia, on Wednesday, 16 May 2012 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 2011 and the Reports of the Directors and Auditors thereon. ***Resolution 1***

2. To declare a final dividend of 3.0 sen per ordinary share of RM0.50 each less Malaysian Income Tax of 25% and a final tax exempt dividend of 1.5 sen per ordinary share of RM0.50 each for the year ended 31 December 2011. ***Resolution 2***

3. To re-elect Mr Choo Tak Woh who retires in accordance with Article 65 of the Company's Articles of Association. ***Resolution 3***

4. To re-elect Mr Andrew Lim Cheong Seng who retires in accordance with Article 70 of the Company's Articles of Association. ***Resolution 4***

5. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. ***Resolution 5***

6. As Special Business, to consider and, if thought fit, pass the following Resolutions:-

   (i) As Ordinary Resolution - Proposed Renewal of Share Buy-Back Authority

   "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 is hereby authorised to purchase up to 81,000,000 ordinary shares of RM0.50 each in the Company's issued and paid-up share capital 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 2011 amounted to RM57,124,774/- and RM414,206,021/- 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 6***

(ii) As Special Resolution - Proposed Amendments to the Articles of Association of the Company

"THAT the alterations and modifications to the Articles of Association of the Company as set out in Part B of the Statement to Shareholders dated 23 April 2012 be hereby approved." ***Special Resolution***

GENERAL MEETING RECORD OF DEPOSITORS

FURTHER NOTICE IS HEREBY GIVEN THAT, for the purpose of determining a member's eligibility to attend and vote at the 31st AGM, the Company shall obtain a General Meeting Record of Depositors as at 9 May 2012 from Bursa Malaysia Depository Sdn Bhd in accordance with Article (4) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991. Only depositors whose names appear therein shall be entitled to attend in person or appoint proxies to attend and/or vote on their behalf at the AGM.

NOTICE OF DIVIDEND PAYMENT AND ENTITLEMENT DATE

NOTICE IS ALSO HEREBY GIVEN that a final dividend of 3.0 sen per ordinary share of RM0.50 each less Malaysian Income Tax of 25% and a final tax exempt dividend of 1.5 sen per ordinary share of RM0.50 each for the financial year ended 31 December 2011, if approved at the forthcoming Annual General Meeting, will be payable on 8 June 2012.

NOTICE OF THIRTY FIRST ANNUAL GENERAL MEETING
cont'd

The entitlement date shall be fixed on 23 May 2012 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 May 2012 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
23 April 2012

NOTES:

A. PROXY

1. *A member entitled to attend and vote at the meeting may appoint one (1) proxy to attend and vote on his/her behalf. A proxy may but need not be a member of the Company and if not a member, he/she need not be a qualified legal practitioner, an approved company auditor or a person approved by the Registrar.*
2. *The instrument appointing a proxy shall be signed by (a) the individual member or (b) the individual member's attorney duly supported by a certified true copy of the power of attorney.*
3. *For a corporate member, the instrument appointing a proxy shall be executed under (a) its common seal or (b) the hand of a duly authorised officer or attorney. In the case of (b), it shall be supported by a certified true copy of (i) the resolution appointing such officer, or (ii) the relevant power of attorney.*
4. *In the case of a member who is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit as to the number of proxies it may appoint. If more than one (1) proxy is appointed, the Exempt Authorised Nominee shall specify the number of shares to be represented by each proxy.*
5. *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 fixed for holding the meeting or any adjourned meeting thereof.*

B. DIRECTOR NOT SEEKING RE-ELECTION

Mr Cheah Hon Kuen, the Independent Non-Executive Director who is retiring pursuant to Article 65 of the Company's Articles of Association, has given notification that he is not seeking re-election and will retire upon the conclusion of the AGM.

C. EXPLANATORY NOTES ON SPECIAL BUSINESS

Resolution 6 and Special Resolution

Please refer to the Statement to Shareholders in relation to the Proposed Renewal of Share Buy-Back Authority and Proposed Amendments to the Articles of Association of the Company dated 23 April 2012 despatched together with the Company's 2011 Annual Report for further information.

ADMINISTRATIVE DETAILS

Meeting	:	31st Annual General Meeting ("AGM")	Time	:	10.30 a.m.
Date	:	Wednesday, 16 May 2012	Venue	:	Ballroom 1, Ground Floor, Première Hotel, Klang.

PARKING

There is ample parking space at the designated parking levels in Première Hotel, Klang. Please follow the relevant signage to the car parks. Parking is free if the card is duly validated at the machine installed outside Ballroom 1 on the Ground Floor.

REGISTRATION

Registration will commence at 9.00 a.m. and will remain open until the conclusion of the AGM or such time as may be determined by the Chairman of the meeting.

Please produce your original Identity Card during registration for verification purposes.

REFRESHMENTS

Light refreshment will be served before the commencement of the AGM at the foyer outside Ballroom 1 on the Ground Floor.

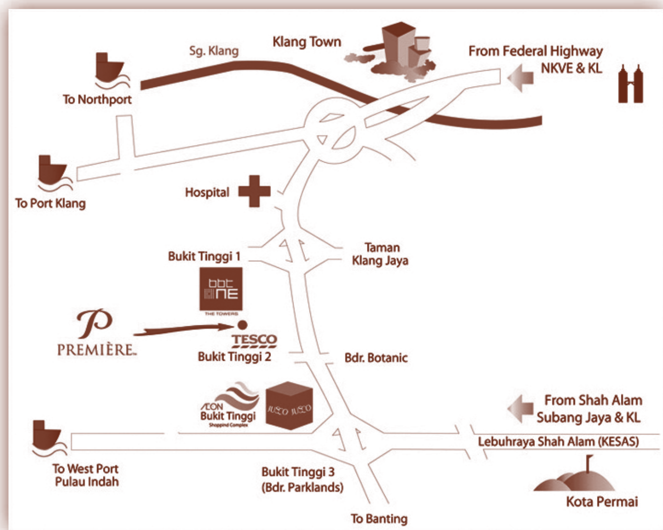
LUNCH

Upon the conclusion of the AGM and Extraordinary General Meeting (which will convene immediately after the AGM), a buffet lunch will be served at the Ballroom 2 on the Ground Floor.

RECORD OF DEPOSITORS FOR ATTENDANCE AT AGM

For the purpose of determining a member's eligibility to attend and vote at the 31st AGM, the Company shall obtain a General Meeting Record of Depositors as at 9 May 2012 from Bursa Malaysia Depository Sdn Bhd in accordance with Article (4) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991. Only depositors whose names appear therein shall be entitled to attend in person or appoint proxies to attend and/or vote on their behalf at the AGM.

LOCATION MAP TO PREMIÈRE HOTEL, KLANG



23 April 2012

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WCT Berhad (66538-K)
(Incorporated in Malaysia)

FORM OF PROXY

I/We____
(Name in full)

I.C. or Company No.______________________ CDS Account No.____________________

of____
(Full address)

being a member of WCT 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 Thirty First Annual General Meeting of the Company to be held at Ballroom 1, Ground Floor, Première Hotel, Bandar Bukit Tinggi 1/KS6 Jalan Langat, 41200 Klang, Selangor Darul Ehsan on Wednesday, 16 May 2012 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 2011.		
2	Declaration of a Final Dividend of 3.0 sen per ordinary share less Malaysian Income Tax of 25% and a final tax exempt dividend of 1.5 sen per ordinary share.		
3	Re-election of Mr. Choo Tak Woh.		
4	Re-election of Mr Andrew Lim Cheong Seng.		
5	Re-appointment of Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration.		
6	Proposed Renewal of Share Buy-Back Authority.		
SPECIAL RESOLUTION			
Proposed Amendments to the Articles of Association of the Company.			

Dated this ____________________day of________________________ 2012

No. of ordinary shares held

____
Signature(s)/Common Seal of member(s)

Notes:-

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Fold This Flap For Sealing

Then Fold Here

Affix Stamp

THE COMPANY SECRETARY
WCT Berhad
No. 12, Jalan Majistret U1/26, Seksyen U1
Lot 44, Hicom-Glenmarie Industrial Park
40150 Shah Alam
Selangor Darul Ehsan
Malaysia

1st Fold Here

IXORA

Double-storey cluster house
Phase C5, Bandar Parklands, Klang, Selangor
Standard land area: 32’ X 65’ ; 34’ X 65’
Standard gross built-up area: from 2,277 sq.ft.

CAMELLIA

Double-storey bungalow
Phase C10, Bandar Parklands, Klang, Selangor
Standard land area: 70’ X 97’
Standard gross built-up area: from 4,856 sq.ft.

CLIVIA

Double-storey super-link house
Phase C1, Bandar Parklands, Klang, Selangor
Standard land area: 24’ X 75’ / 24 X 85’
Standard gross built-up area: from 2,640 sq.ft.

FERNRIA

Double-storey semi-detached house
Phase C8, Bandar Parklands, Klang, Selangor
Standard land area: 40’ X 80’ / 40’ X 82.5’
Standard gross built-up area: from 3,429 sq.ft.

For further enquiries, please contact +603 3324 3255 (Ext. 602-606)

1Medini

www.1medini.com

WCT Berhad

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Selangor Darul Ehsan, Malaysia.
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E : enquiries@wct.com.my

www.wct.com.my