No. 12, Jalan Majistret U1/26, Seksyen U1,
Hicom-Glenmarie Industrial Park, 40150 Shah Alam,
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T : +603 7805 2266
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WCT Berhad (66538-K) annual report 2012

WCT Berhad (66538-K)

BUILDING VALUES

ANNUAL REPORT 2012

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

WCT

Core Values

Exceeding our best **Winning**

Commitment Passionate in all we do

All for one, one for all **Teamwork**

Humility and **Respect** Our way of life

Contents

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

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

Awarded by Frost & Sullivan Malaysia

8. **Malaysia Excellence Awards - 2011**
   Building Contracting Company of the year

AWARDS & ACHIEVEMENTS

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

ENVIRONMENTAL MANAGEMENT SYSTEMS CERTIFICATION

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

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

OHSAS 18001 : 2007
Occupational Health and Safety Management System for WCT Machinery Sdn Bhd
Certification No. SR 0702

CORE BUSINESSES AND OPERATING UNITS

ENGINEERING & CONSTRUCTION

MALAYSIA

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

OVERSEAS

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

PROPERTY DEVELOPMENT

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
Timor Barat Properties Sdn Bhd
WCT Hartanah Jaya Sdn Bhd

LIFESTYLE

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

CORE BUSINESSES AND OPERATING UNITS

ASSETS INVESTMENT & MANAGEMENT

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

Management

WCT Property Management Sdn Bhd
WCT Hotel & Facilities Management Sdn Bhd
Labur Bina Management Sdn Bhd

Others

WCT Properties 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
Choo Tak Woh
Andrew Lim Cheong Seng

Non-Independent Non-Executive Director
Wong Yik Kae

AUDIT COMMITTEE

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

NOMINATION & REMUNERATION COMMITTEE

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

OPTIONS COMMITTEE

Choo Tak Woh *(Chairman)*
Taing Kim Hwa
Goh Chin Liong

COMPANY SECRETARIES

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.my
Web : www.wct.com.my

DIVISIONAL OFFICES

Construction

WCT Construction Sdn Bhd *(140381-U)*
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 : +603-7804 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

2nd Floor, Office No. 203
Stanley Offices Building, No. 40
Al-Muntazah Region, Ibn Sina St
P. O. Box 200238, Doha, State of Qatar
Tel : +974-4427 9780
Fax : +974-4427 9781

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 Darul Ehsan, 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
OCBC Bank (Malaysia) Berhad
Malayan Banking Berhad
HSBC Bank Malaysia Berhad
Standard Chartered Bank Malaysia Berhad

SOLICITORS

Adnan Sundra & Low
CK Oon & Co.
Jeyaratnam & Chong
Kadir, Andri & Partners
Raja Darryl & Loh
Soon Gan Dion & Partners
Yip & Co.

STOCK EXCHANGE LISTING

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

CORPORATE PROFILE

Established on 14 January 1981 by **W**ong Chew Lai, **W**ong Sewe Wing, **C**han Soon Huat and **T**aing Kim Hwa, WCT is a public-listed Malaysian real-estate developer and civil engineering construction company headquartered in Glenmarie, Shah Alam, Malaysia with a global presence in 6 countries, with primary focus in Malaysia, Qatar, U.A.E, Bahrain, Oman and India. WCT made its debut on the Second Board of Bursa Malaysia Securities Berhad ("Bursa Securities") on 16 February 1995 and was subsequently elevated to the Main Board on 7 January 1999.

WCT is currently listed on the Main Market of Bursa Securities and is one of the FBM100 Component Stocks.

With a track record of nearly 32 years, WCT strongly believes in delivering product excellence and quality service in all our business ventures. The Company operates in three business segments:

Engineering and Construction which is engaged in the construction of expressways and highways, airfield facilities, water treatment plants, dams and general services related to earthworks, civil works and construction activities.

Property Development which is engaged in the development of residential, township and commercial properties.

Investment and Management which is engaged in the ownership and management of hotels, shopping malls and concession assets.

Since it's inception, WCT has to date successfully completed and delivered more than 350 construction projects worth in excess of RM20.0 billion. WCT's scope of engineering and construction expertise covers:

- Earthworks and civil works;
- F1 racing circuits;
- International airports;
- Hydroelectric and water dams;
- Expressways and highways;
- Public infrastructures such as hospitals, transportation hubs, sports facilities and university campuses; and
- High-rise residential, office and iconic commercial buildings.

The Company's property development and investment and management portfolio includes townships, luxury homes, high-rise residences, industrial properties, offices, mixed commercial developments, concessions, hotel and shopping malls. WCT is also a reputable developer of three sustainable integrated townships in Bandar Bukit Tinggi known as BBT1, BBT2 and Bandar Parklands with a gross development value (GDV) of RM4.7 billion. Since 1997, WCT has delivered in excess of 14,000 units of residential and commercial properties amounting to a GDV of RM4.0 billion. WCT has also entered the Johor property market with the development of 1Medini condominiums at Medini Iskandar, Johor Bahru. WCT currently has a land bank of approximately 1,000 acres in Malaysia.

In the investment and management portfolio, WCT owns and operates Première Hotel and owns 3 shopping malls – Paradigm Mall, gateway@klia2 (opening second quarter of 2013) and Bukit Tinggi Shopping Centre. Paradigm Mall and gateway@klia2 are self-managed. WCT also has an established concession portfolio in three highway concessions in India.

Our unwavering commitment to quality excellence is reflected in our developments. For the works done, WCT has received local and international recognition, winning the International Achievement Award from the Construction Industry Development Board of Malaysia, the Best Brands in Engineering & Construction of the BrandLaureate Award 2007-2008 from the Asia Pacific Brand Foundation, Export Excellence Award 2004 & 2008 by the Ministry of International Trade & Industry, Malaysia (MITI), Contractor of the Year Award 2010 and the Frost & Sullivan Excellence Award 2011 among others.

While the company's primary focus has been in Malaysia with its well established presence on a national scale, the Company has also expanded its presence to and undertaken projects in Qatar, UAE, Bahrain and India.

As we continue to grow our portfolio, we remain committed to staying true to our core values of Winning, Commitment, Teamwork, Humility and Respect.

CORPORATE DIARY 2012/2013

January 2012

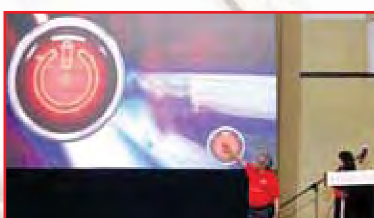
Established WCT's Sports & Recreation Committee to spearhead and coordinate the various activities for the benefit of the Group's employees.

February 2012

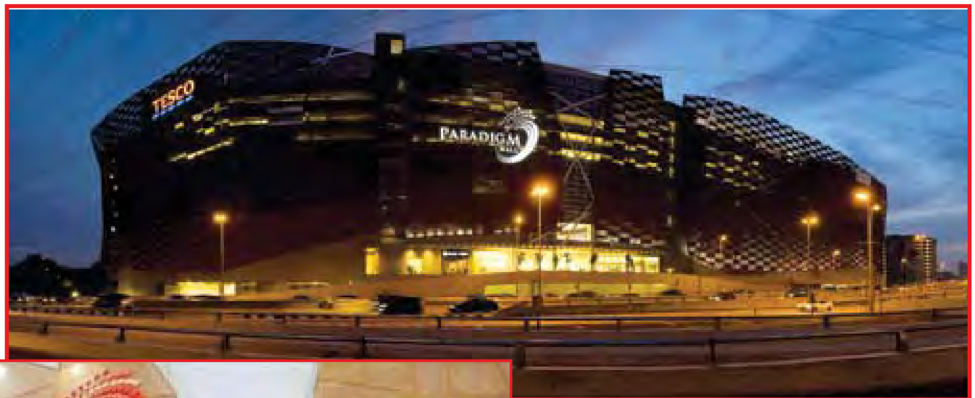
- Awarded a Contract worth about RM300 million for the Proposed Design, Construction and Completion of the Government Building (Headquarters of the Ministry of International Trade & Industry) and External Works on part of PT 25966 (formerly known as Plot 8), Jalan Khidmat Usaha, Mukim Batu, Kuala Lumpur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

April 2012

- WCT launched its newly refined vision, mission and core values at a gathering held at Première Hotel and attended by 800 employees.
- Sales Launch of "Oxalis" double-storey semi-detached houses, phase C4, Bandar Parklands (BBT3), Klang, Selangor Darul Ehsan, Malaysia.



CORPORATE DIARY 2012/2013



May 2012

- Opening of WCT's second retail mall, Paradigm Mall in Petaling Jaya.
- WCT held its 31st Annual General Meeting and Extraordinary General Meeting on 16 May 2012 at Première Hotel.
- Established and implemented a new Employees' Share Option Scheme ("ESOS") (2012/2022) following the expiry of the existing ESOS (2002/2012) on 12 April 2012, which primarily serves to align the interests of the eligible employees and Directors to the corporate goals of WCT Group.

June 2012

- Awarded a Contract for industrial civil works worth about RM72.8 million by Vale Malaysia Minerals Sdn Bhd (formerly known as Vale Malaysia Manufacturing Sdn Bhd) ("VMM") at VMM's Minerals Project – Phase 1A, Teluk Rubiah, Perak, Malaysia.
- Invested in its brand with the appointment of brand development and branding consultant to conduct a validation exercise for the WCT brand. The review is aimed at refreshing the brand to prime the company for future growth. WCT is also taking steps to understand its customers better and use the insight to strengthen its brand.

CORPORATE DIARY 2012/2013

July 2012

- Awarded a Contract worth approximately RM391 million by UEMB-MRCB JV Sdn Bhd (formerly known as Intria Urus Sdn Bhd) for the Proposed Fourth Lane Widening between Nilai (KM280.4) and Seremban (KM258.5), Package E. The project is expected to be completed in 2014.
- Launched “Klang! In and Around The Royal Town” book, as part of its corporate social responsibility initiative. The 188-page book celebrates the history, culture and people of the town by piecing together the perspectives of five writers and a photographer into one good read.

August 2012

- An Extraordinary General Meeting was held on 14 August 2012, on the Proposed Acquisition by Iris Green Sdn Bhd, a wholly-owned subsidiary of WCT Land Sdn Bhd which in turn is a wholly-owned subsidiary of the Company, of the entire equity interest in Timor Barat Properties Sdn Bhd from Eng Lian Enterprise Sdn Bhd, Shen & Sons Sdn Bhd and AMC Sdn Bhd for a total cash consideration of RM450 million.

October 2012

- WCT’s maiden hotel, Première Hotel turns 2. Located in the vibrant township of Bandar Bukit Tinggi, Klang South, the hotel offers 250 rooms and suites, including three executive-level floors.

CORPORATE DIARY 2012/2013

November 2012

- Launched The Landmark, a vibrant development poised to become the finest corporate hub in Bandar Bukit Tinggi, Klang South, which forms the coming together of office blocks and retail offices in a fully integrated environment.
- Entered into a conditional lease purchase agreement with Medini Land Sdn Bhd, a wholly-owned subsidiary of Iskandar Investment Berhad, for the acquisition of a lease of 18.12 acres of land identified as Plot A60 in Zone A, Medini, Daerah Johor Bahru, State of Johor Darul Takzim for a total purchase consideration of RM99.47 million.
- An Extraordinary General Meeting on the Proposed Bonus Issues of Ordinary Shares and Warrants (2012/2017) was held on 21 November 2012.

December 2012

- Completed the Bonus Issues of Ordinary Shares and Warrants (2012/2017) with the listing of the same on the Main Market of Bursa Malaysia Securities Berhad on 20 December 2012.

January 2013

- Completed the acquisition of a freehold commercial land and a 4-storey abandoned shopping mall at Johor Bahru, Johor Darul Takzim for RM180 million. The proposed development consists of a shopping mall, a hotel, service apartment and 6-level car park.

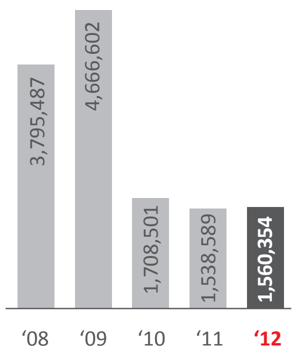
Artist's impression only

February 2013

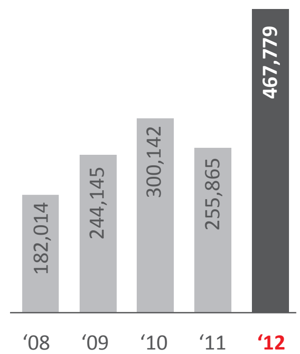
- Completed the acquisition of the entire equity interest in Timor Barat Properties Sdn Bhd ("TBPSB") by Iris Green Sdn Bhd. TBPSB is the registered owner of 3 pieces of freehold lands with approximately 2,501,621 square feet in area which located at Taman Overseas Union Garden, Kuala Lumpur.

FINANCIAL HIGHLIGHTS

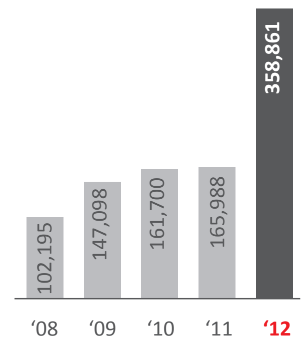
REVENUE
RM'000



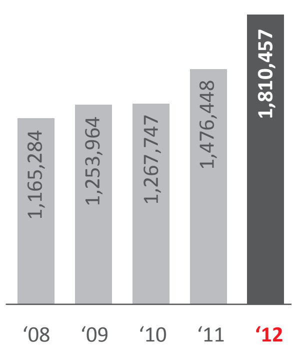
PROFIT FROM OPERATIONS
RM'000



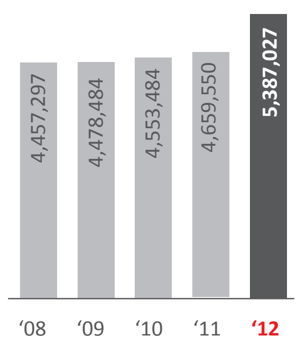
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY
RM'000



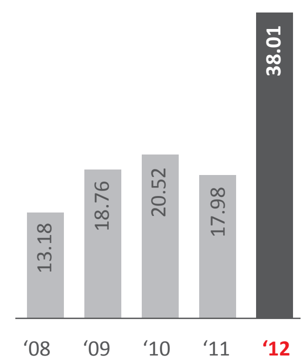
SHAREHOLDERS' FUND
RM'000



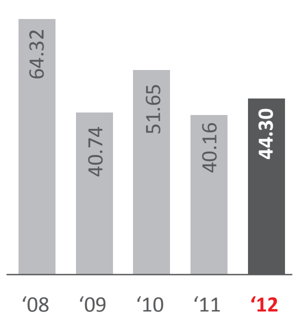
TOTAL ASSETS
RM'000



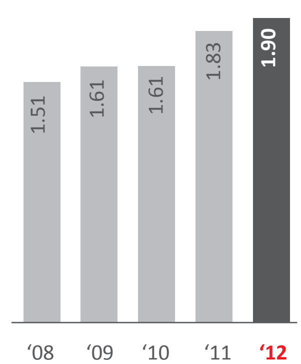
EARNINGS PER SHARE
SEN



DIVIDEND PAYOUT RATIO
%



NET ASSETS PER SHARE
RM



FINANCIAL HIGHLIGHTS

		31.12.2012 RM'000	Restated 31.12.2011 RM'000	Restated 31.12.2010 RM'000	31.12.2009 RM'000	31.12.2008 RM'000
Revenue						
Construction		1,012,388	1,206,814	1,442,860	4,495,135	3,574,686
Property development		462,975	279,464	231,045	138,636	191,967
Property investment & management		84,991	52,311	34,596	32,831	28,834
Total revenue		1,560,354	1,538,589	1,708,501	4,666,602	3,795,487
Profit from operations						
Construction		109,968	163,500	195,410	198,534	82,436
Property development		117,452	54,933	42,003	27,577	70,318
Property investment & management		240,359	37,432	62,729	18,034	29,260
Total profit from operations		467,779	255,865	300,142	244,145	182,014
Profit attributable to equity holders of the company		358,861	165,988	161,700	147,098	102,195
Issued share capital		475,820	403,780	395,540	392,574	391,434
Shareholders' fund		1,810,457	1,476,448	1,267,747	1,253,964	1,165,284
Total assets		5,387,027	4,659,550	4,553,484	4,478,484	4,457,297
Earnings per share	Sen	38.01	17.98	20.52	18.76	13.18
Dividend payout ratio(2)	%	(1)44.30%	40.16%	51.65%	40.74%	64.32%
Net assets per share	RM	1.90	1.83	1.61	1.61	1.51
Return on total assets	%	6.42%	3.57%	5.06%	4.82%	3.28%
Return on shareholders fund	%	19.82%	11.24%	12.75%	11.73%	8.77%
Net gearing ratio	times	0.41	0.40	0.37	0.23	0.35

Price Performance	2012 RM	2011 RM	2010 RM	2009 RM	2008 RM
Ordinary Share					
High	2.80	3.63	3.31	2.86	(3)5.00
Low	2.17	1.85	2.43	0.92	(3)1.07
Close	(4)2.35	2.38	3.19	2.60	(3)1.52
Warrants 2008/2013 (WCT-WB)					
High	0.49	1.04	0.76	0.71	1.01
Low	0.14	0.22	0.39	0.16	0.18
Close	0.35	0.35	0.67	0.56	0.23

Price Performance	2012 RM	2011 RM	2010 RM	2009 RM	2008 RM
Warrants 2011/2016 (WCT-WC)					
High	0.57	0.87	-	-	-
Low	0.37	0.36	-	-	-
Close	0.41	0.46	-	-	-
Warrants 2012/2017 (WCT-WD)(5)					
High	0.50	-	-	-	-
Low	0.28	-	-	-	-
Close	0.29	-	-	-	-

Notes:
1. *Included interim dividend declared on 25 February 2013 of 3.25 sen per ordinary share of RM0.50 each.*
2. *Calculation of ratio excluding fair value gain of investment properties.*
3. *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.*
4. *Adjusted for the Bonus Issues of ordinary shares and Warrants 2012/2017.*
5. *Listed on the Main Market of Bursa Malaysia Securities Berhad on 20 December 2012.*

PROFILE OF DIRECTORS

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid
Independent Non-Executive Chairman

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid, aged 63, 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 59, 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 specialising 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 and Vietnam.

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

PROFILE OF DIRECTORS

Goh Chin Liong, aged 53, 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.

Goh Chin Liong
Deputy Managing Director

Choe Kai Keong, aged 62, 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 privatisation 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.

Choe Kai Keong*
Executive Director

PROFILE OF DIRECTORS

Liang Kai Chong*
Executive Director

Liang Kai Chong, aged 51, 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 twenty-seven years of experience in the construction industry. He spent his early career with a prominent Malaysian construction group, where he was actively 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 also as its Head of Contracts. With his extensive experience and in-depth knowledge in the construction industry, his role in WCT Group quickly expanded and he was entrusted with more and more responsibilities, first as General Manager in 2001 and not long thereafter as Executive Director in 2004. Presently he is responsible for WCT Group's Engineering & Construction Division operations for all local and overseas projects, ranging from contracts procurement to project implementation, execution and delivery.

He also sits on the Executive Committees of all construction projects and is a member of the Management Committee.

Choo Tak Woh
Independent Non-Executive Director

Choo Tak Woh, aged 62, 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 chairs the Audit Committee and Options Committee and is a member of the Nomination & Remuneration Committee.

PROFILE OF DIRECTORS

Andrew Lim Cheong Seng
Independent Non-Executive Director

Andrew Lim Cheong Seng, aged 49, 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 and an Advisor to the Risk Management Committee.

Wong Yik Kae*
Non-Independent Non-Executive Director

Wong Yik Kae, aged 35, was appointed to the Board on 2 January 2013. He graduated from the Michigan State University, U.S.A. with a Bachelor of Arts in Accounting in 1999. He is a Certified Practising Accountant (CPA) of Australia, a Chartered Accountant by profession with the Malaysian Institute of Accountants (MIA) and a member of the Malaysia Investor Relations Association.

Prior to joining WCT in 2004, Mr Wong started his career at Ernst & Young Malaysia from 1999 to 2003, with the Audit & Advisory Business Services specialising in real estate, construction and financial due diligence. Mr Wong is currently attached to WCT's Group Property Division. Prior to his appointment to the Board of WCT, he was involved in a variety of group corporate and financial functions which include corporate financing, corporate development and evaluation, investor relations, corporate branding & marketing and corporate communications.

Mr Wong is a member of the Management Committee.

Notes:

(1) All the Directors are Malaysian.

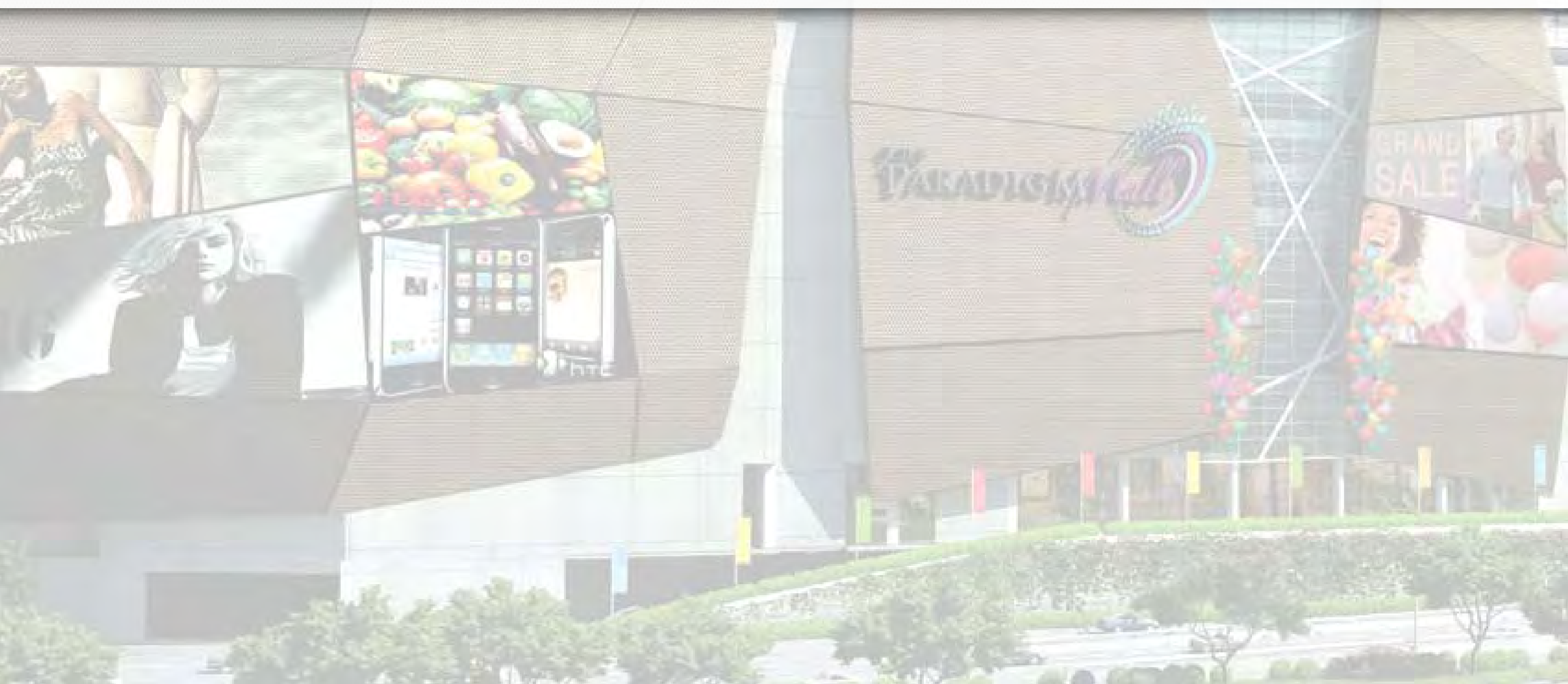
(2) Mr Wong Yik Kae, a Non-Independent Non-Executive Director of the Company, is the son of Mr Wong Sewe Wing, a major shareholder of the Company.
Save as disclosed above, none of the other Directors has any family relationship with any Director and/or major shareholder of the Company.

(3) None of the Directors have any:-
(i) Conflict of interest with the Company; or
(ii) Convictions for offences within the past 10 years other than traffic offences.

* *Denotes Directors who will be retiring at the forthcoming Annual General Meeting of the Company in accordance with the Company's Articles of Association and being eligible, are offering themselves for 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 2012.



CHAIRMAN'S STATEMENT

2012 REVIEW

The Malaysian economy remained resilient albeit the challenging global economic environment. In 2012, the Malaysian GDP growth improved to 5.6% year-on-year from 5.1% in 2011 driven by robust domestic demand and investments as Government efforts such as the Economic Transformation Programme (ETP) initiatives have begun to have positive effects on the economy.

In particular, the Malaysian construction sector benefited in 2012 from the on-going implementation of infrastructure projects related to the ETP, such as the KLIA2, MRT, LRT, PLUS Highway and RAPID projects. It was indeed a busy and fruitful year for the industry, especially in contrast to previous years which had generally seen more moderate growth.

FINANCIAL REVIEW

The Group continued to build upon its sustainable business platform by registering another encouraging growth in terms of business expansion and revenue for the year ended 31 December 2012.

The Group recorded a profit after taxation of RM345.7 million in 2012 representing a growth of 108% from the previous year. The Group's pre-tax profit for 2012 was RM414.9 million, a growth of 100% from the previous year. The group recorded a profit after taxation and non-controlling interest of RM358.9 million. The growth in profit was mainly attributed to fair value gain of RM210.9 million (2011: RM14.3 million) for investment properties. The Group ended 2012 with a 1.4% increase in revenue to RM1,560.4 million.

The Civil Engineering and Construction Division contributed approximately 65% of the Group's total revenue, a significant part of which is attributed to the gateway@klia2 and Vale Civil works projects in Malaysia. The Civil Engineering and Construction Division remains the backbone of the Group's revenue stream.

The Property Development, Investment and Management Division contributed about 76% of the Group's operating profit. The Property Development, Investment and Management Division will play an integral part in the Group's operations in ensuring the long term sustainability of yield improvement for the respective assets, and providing a steady recurrent income flow.

CORPORATE DEVELOPMENTS

The year 2012 had shaped up to be a remarkable one for us, having secured RM1.1 billion worth of new contracts in Malaysia. Overall, 2012 played a significant role in our corporate positioning.

In continuing our journey, we have achieved many milestones along the way, including the opening of the Group's flagship mall Paradigm Mall in May 2012. Its opening marks an important milestone in the development of our own retail mall brand in Malaysia. Paradigm Mall is part of the 14-acre RM1.6 billion dynamic integrated Paradigm development, WCT's first commercial development in Petaling Jaya that comprises a corporate office tower, serviced apartments and a 4-star business class Première Hotel.

The Group's property business continued to perform well, with good progress in both project development and land bank expansion. In November 2012, the Group signed a conditional lease purchase agreement with Medini Land Sdn Bhd, a wholly-owned subsidiary of Iskandar Investment Berhad for 18.12 acres of prime development land in Medini. WCT, I am pleased to say, has ventured beyond Medini to Johor Bahru where the Group has acquired a 12.4-acre freehold plot of land in Jalan Skudai. In February 2013, the Group had further completed the acquisition of Timor Barat Properties Sdn Bhd, which owns 57 acres of land in OUG, Kuala Lumpur for RM450 million. The successful acquisition will enhance the Group's total land bank for future development and ultimately, generate better return for our shareholders.

The Group also generated strong turnover from property sales last year. The Group recorded an accumulated property sales of RM4 billion.

OUR NEW AND IMPROVED WEBSITE

The Group launched a new, improved website, www.wct.com.my on 1 April 2013.

The new website design features enhanced visual layout and several changes that make navigation and information retrieval easier. All literature has been recently updated. Additionally, the Group has implemented a new email domain for WCT Group of Companies. The new email address standard will use the following format: name@wct.my, name@premiere-hotels.wct.my and name@paradigmmall.wct.my

CHAIRMAN'S STATEMENT

WAY FORWARD

2013 will be a landmark year for us that will see the culmination of the Group's growth that forms part of our transformational journey. We believe the construction industry will further expand with the rollout of several high-impact projects in the country.

On the domestic front, the construction sector is expected to fare better in 2013 compared to 2012, supported by numerous projects currently already in the pipeline. Our ongoing construction projects including gateway@klia2, the office building of the Ministry of International Trade and Industry in Kuala Lumpur, the widening of the North-South Expressway along the Nilai to Seremban stretch, the construction and completion of the medical centre in Kota Kinabalu, the Qatar government administrative building, the Paradigm Towers and 1Medini in Iskandar Malaysia will keep us busy for the next two to three years.

Moving ahead, the Group intends to further grow our business in Malaysia and abroad and will continue to bid for some of the major infrastructure and building (construction and engineering) projects under the ETP and other private sectors locally. On the overseas ventures, the Group's focus will be in the Middle East for now. We remain upbeat about markets such as Qatar which will see further rollout of infrastructure projects as economic diversification remains a top priority for the nation.

In addition, the contribution from the Property Division is also expected to strengthen further and perform better. We have lined up some RM877 million worth of project launches this year. They comprise RM400 million worth of high-rise condominiums in Medini Signature in Iskandar Malaysia, RM180 million worth of retail and offices in The Landmark in Bandar Bukit Tinggi, Klang, RM67 million worth of apartments in Bandar Parklands, Klang, RM120 million worth of apartments in Bukit Jelutong and RM110 million worth of luxury homes in Laman Greenville, located in the vicinity of Bandar Bukit Tinggi, Klang.

We will continue to strengthen our market presence in local property markets and revenue base through a steady provision of diversified, high quality properties in order to generate stable, predictable returns for our stakeholders. Meanwhile, we will seize suitable opportunities for quality land acquisitions in Klang Valley, Iskandar Malaysia, Penang and Kota Kinabalu as well as pursuing redevelopment of abandoned buildings to replenish our land bank and to support further expansion of the property portfolio. With our high-potential land banks, the Property Division is expected to make a significant contribution to the Group revenue over the next three years and beyond.

This year, the Group can look forward to higher contribution from our investment and management activities to strengthen our capabilities in delivering sustainable growth – especially with our latest retail asset, gateway@klia2 in Sepang that will open and come on-stream in the second quarter of 2013.

CHANGES IN THE BOARD OF DIRECTORS

The composition of the Board of Directors had undergone changes with the appointment of Mr. Wong Yik Kae to the Board as Non-Independent Non-Executive Director on 2 January 2013. Mr. Wong is also a member of the Management Committee. On behalf of the Board of Directors, I would like to welcome Mr. Wong Yik Kae on board as a Non-Independent Non-Executive Director.

DIVIDENDS

The Company had declared the following interim dividends in respect of the financial years 2012 and 2013:-

(i) Single Tier Interim Dividend of 3.75 sen per ordinary share of RM0.50 each in respect of the financial year ended 31 December 2012 paid on 20 September 2012; and

(ii) Single Tier Interim Dividend of 3.25 sen per ordinary share of RM0.50 each in respect of the financial year ending 31 December 2013 to be paid on 22 April 2013.

This is our way of expressing our gratitude to our loyal shareholders who have placed their confidence and trust in WCT's capabilities, especially in light of our transformational plans.

ACKNOWLEDGEMENT

On behalf of the Board, I wish to express my sincere appreciation and thanks to the management team and staff for their loyalty, commitment and dedication, that have contributed to the Group's success and to our shareholders, customers, business associates, media, various government agencies and local authorities for their continuing support. My appreciation also goes to my fellow colleagues on the Board for their counsel and guidance during the past year.

Dato' Capt. Ahmad Sufian
Chairman

9 April 2013

MANAGING DIRECTOR'S LETTER TO SHAREHOLDERS

Dear Valued Shareholders,

WCT reached another significant milestone in 2012 with the launch of our newly refined Vision, Mission and Core Values at a gathering attended by over 800 WCT employees.

The Group's core values of Winning, Commitment and Teamwork – with Humility & Respect, were identified and crystalized to act as the foundation for everything that the Company does and how it conducts itself. These are the fundamental values in building connections and engaging with WCT's business partners, vendors/suppliers, shareholders, employees and the community in the most fulfilling way.

MANAGING DIRECTOR'S LETTER TO SHAREHOLDERS

Year 2012 was also a landmark in the development of the WCT brand. While the Group already recognizes the value of developing our brand, this was further emphasized in June 2012 when the Group invested in the WCT brand with the appointment of brand development consultants to conduct internal and external validation exercises for the Company. These reviews were aimed at refreshing the brand to prime the Company for future growth, as well as to understand the gaps that exist for the Company. WCT will continuously strive to understand our customers better as this insight is invaluable to us in further strengthening the WCT brand.

Besides serving our customers better, we are also proud of our progress in giving back to the communities who have served us so well. In particular, Klang has been the backbone of many of WCT's main projects, including our maiden Township development in 1997 – Bandar Bukit Tinggi (BBT). In 2012, WCT had launched our own publication titled, "Klang! In and Around the Royal Town" as part of our Corporate Social Responsibility (CSR) initiative. This publication is WCT's own way of giving back to the community in a real way and paying homage to the Royal Town.

These are just a few of many achievements the Group had enjoyed in Year 2012. I am pleased to present to you the Group's overall results and achievements for Year 2012, followed by a more detailed outline of each of the Group's major component divisions' contribution to these results.

OVERVIEW

For the year 2012, WCT Group registered consolidated revenue of RM1,560.4 million while recording operating and net profits after tax of RM467.8 million and RM345.7 million, respectively.

The Civil Engineering and Construction Division continued to be the main thrust of the Group's business activities. It contributed RM1,012.4 million or 65% of the Group's consolidated revenue. In terms of operating profits, it achieved RM110.0 million or 24% of the total operating profits of the Group.

Meanwhile, the Group's Property Development Division registered revenue of RM463.0 million or 30% of the Group's consolidated revenue. Operating profit was RM117.4 million or 25% of the Group's total operating profits.

Property Investment and Management Division contributes a recurring flow of income since 2008, derived mainly from rental income at Bukit Tinggi Shopping Mall. In 2012, total revenue from this segment amounted to RM85.0 million, registering an operating income of RM240.4 million or 51% of the Group's total operating profits.

WCT REORGANISATION

Another significant milestone for WCT in 2012 was the announcement of our plans for the Company's reorganisation. The main intention behind this proposal is to create a corporate structure whereby the listed company in the WCT Group, i.e. WCT Holdings Berhad is the sole investment holdings company.

After taking into consideration the different business risks and various business operations that WCT is involved in, the reorganization will bring with it benefits that include the streamlining of these business operations. The segregation of the business divisions pursuant to this Proposal will provide greater flexibility for the Board to manage its operations more effectively.

We aim to complete this exercise by the second quarter of 2013.

CIVIL ENGINEERING & CONSTRUCTION

WCT started the year on a good note, securing a RM300.5 million contract from Putrajaya Management Sdn Bhd for the construction of the headquarters of the Ministry of International Trade and Industry of Malaysia in Kuala Lumpur. Under this contract, WCT has been commissioned to build a 31-storey office tower, a two-storey carpark and a three-storey podium, due for completion in 2015.

The Company also continued to grow its presence in East Malaysia, winning a RM331.0 million contract from Riverson Corporation Sdn Bhd to build a nine-storey, 200 bed medical centre in Kota Kinabalu, Sabah.

In June 2012, we secured a RM72.8 million contract for industrial civil works from Vale International for its iron ore distribution centre, which we expect to complete in 2013. This new appointment demonstrates the Group's ability to deliver quality work to our customer's satisfaction as this is the second order from Vale, following the RM115 million earthworks contract that WCT had secured in July 2011.

MANAGING DIRECTOR'S LETTER TO SHAREHOLDERS

The Group continued to strengthen and build upon our portfolio with a RM390.8 million contract for the widening of the North-South Expressway along the Nilai (KM280.4) to Seremban (KM258.5) stretch. This project is expected to be completed by year 2014.

It is our firm belief that the Civil Engineering and Construction Division of the Company will continue to be at the forefront of the Group's activities, especially with the expected expansion of the industry as the country continues to roll out high-impact projects.

As one of the nation's most prominent builders with a strong presence in the global market, WCT will remain focused on the domestic market and continue to contribute towards Malaysia's development. We foresee an even better performance from our construction sector in 2013 than in 2012, largely due to the on-going construction projects that we have secured. WCT's long and solid track record in the industry allows us to continue to bid for projects under the Economic Transformation Programme (ETP) and other private sectors locally.

Overseas, the Group's presence in the Gulf for 12 years has enabled us to build a sound reputation with a solid track record. We will remain focused on the Middle East for now and expectations of more infrastructure projects from Qatar keep us optimistic about these markets, especially since economic diversification remains a top priority for the region.

PROPERTY DEVELOPMENT

Township Development - Bandar Bukit Tinggi I & II and Parklands

Albeit lower than sales made in 2011 of RM386 million, demand from the market for our properties in the Bandar Bukit Tinggi townships remained stable with a recorded property sales of RM203.71 million. The demand stability can be attributed to the gated community concept and favourable demographics of the Klang Valley, the numerous facilities and amenities that the township offers, as well as being anchored by the presence of AEON Bukit Tinggi Shopping Centre and two hypermarkets (Tesco and Giant).

The office towers @ BBT_ONE continue to garner positive strong occupancy, endorsed by solid tenants that include Tenaga Nasional Bhd (TNB), Employees Provident Fund Board (EPF), Standard Chartered Saadiq, and a newly-opened Gorgeous Fitness at BBT_ONE. We continue to experience strong interest from the main target markets of the development, shipping and logistics companies which also happens to make up a majority of the development's tenants.

The WCT owned Première Hotel and BBT_ONE Boulevard that is located adjacent to office towers, complements the development and provides added value and synergy.

WCT continues to aim to build value to the township with developments on the commercial lands in Bandar Bukit Tinggi I and II. The Landmark @ BBT II at a gross development value of RM180 million that includes retail spaces and offices was launched in the first quarter this year and had received good response. This development will further add to the value and attractiveness of the township area as it is expected to attract more quality tenants to occupy the development.

Bandar Parklands continues to perform well with total sales to date of RM999 million. Orchis apartments are expected to be launched sometime this year with an estimated gross development value of RM67 million. The residential focused development of Bandar Parklands has materialized into a well planned township with the stability and attraction of nearby SJK (C) Wu Teck primary school continuing to be an advantage.

To date, about 1,360 homes and 250 units of shop offices have been completed and released to satisfied buyers and we expect to hand over 1,392 homes to buyers this year.

The Paradigm Mixed Commercial Development @ Petaling Jaya

May 2012 saw the opening of Paradigm Mall, one part of the 14-acre RM1.6 billion dynamic mixed commercial Paradigm development, aimed at transforming the Petaling Jaya landscape. Strong marketing and advertising of the mall has driven high occupancy rate (98%) and strong interest from the public with a high number of visitors to the mall.

The Paradigm is an integrated mixed development, comprising Paradigm Mall and three commercial towers – a business hotel, premium offices and serviced apartments.

Another component of The Paradigm, The Ascent corporate offices will commence tenanting activities this year. This development is expected to complement the existing mall and drive more interest towards the area from professional customers.

MANAGING DIRECTOR'S LETTER TO SHAREHOLDERS

Venturing Into Iskandar Malaysia and Johor Bahru

We are expanding our presence in Iskandar Malaysia, the economic growth corridor of Johor. WCT Land Sdn Bhd had, through its subsidiary WCT Acres Sdn Bhd, signed a conditional lease purchase agreement with Medini Land Sdn Bhd, a wholly-owned subsidiary of Iskandar Investment Berhad to procure a lease over an 18.12-acre land in Medini North in Johor for RM99.47 million.

The land acquisition will enable us to embark on a mixed commercial development project comprising office spaces, retail components and apartments in Medini North with an estimated gross development value of RM1.5 billion.

We are excited at the prospects as well as the future of Medini Iskandar, which will surely emerge as the nerve centre of modern lifestyles in the next one decade. Our initial venture 1Medini condominium garnered excellent interest from investor communities as well as the market and we are optimistic about our future ventures in Medini Iskandar. After the launch of its first block in January 2012 and its second block which opened for sale in April 2012, the development is to date 100% sold and has recorded total sales of RM316 million. As developments in Medini continue to grow with a steady interest shown by other developers and improved sentiments towards the area, we foresee continuous positive demand from the market.

Riding on the success of 1Medini, a collection of 456 luxury apartments units called Medini Signature with a gross development value of RM400 million is in the pipeline. Medini Signature is expected to be ready to launch by the second quarter of this year. Currently we have opened Medini Signature for registration of interest and it has generated good response from the market.

We have also ventured beyond Medini to Johor Bahru, where the Group has acquired a 12.4-acre freehold plot of land in Jalan Skudai. This piece of land is earmarked for development of a shopping mall, serviced apartments and a hotel. Our own Paradigm Mall and Première Hotel brands are set to join the skyline of Johor Bahru in the near future.

Notable Launches in 2013

2013 is set to be a busy year for WCT with the upcoming launches of our other property developments including:

1. Retail offices at the Landmark @ Bandar Bukit Tinggi, Klang with a gross developement value of RM180 million.
2. Medini Signature Condominiums @ Medini North, Iskandar Malaysia at a gross development value of RM400 million.
3. Bandar Parklands, Klang South at a gross development value of RM67 million.
4. Laman Greenville, Klang South at a gross development value of RM110 million.
5. Skyz Jelutong Apartments, Bukit Jelutong, Shah Alam at a gross development value of RM120 million.

ASSETS INVESTMENT & MANAGEMENT

Hospitality

One of the Group's first ventures into property investment and management, Première Hotel, Klang opened in 2010 and performed commendably with positive demand. At the time of writing, the hotel has averaged a 77% occupancy rate at an average room rate of RM193 per day. Approximately 58% of room sales are attributed to corporate clients within driving time of 30 minutes. The F&B division of the hotel has contributed significantly to the hotel revenue with a room to F&B revenue ratio of 53:47. The positive response towards Première Hotel in Klang enables us to leverage on the hotel brand name in the upcoming launches of the hotel chain in Petaling Jaya, Johor Bahru and OUG Kuala Lumpur.

We continue to focus in 4-star business hotel development to complement our existing mixed commercial development whereby Première Hotel @ Paradigm is expected to launch in 2015.

Shopping Malls

The opening of Paradigm Mall in Petaling Jaya has garnered positive response with 98% retail space occupancy where 308 out of 315 retail lots have been tenanted out. The mall enjoys strong average footfalls of 30,000 per day on weekdays and 60,000 per day on weekends. Notable new fashion tenants who have opened at the mall include GAP, Uniqlo and H&M whilst well established F & B tenants such as Purple Cane, Heritage Village, Steamroom and Komugi Café have similarly opened at the mall.

Furthermore, we are enthusiastic about the upcoming launch of gateway@klia2, the Group's third retail venture in Malaysia in the second quarter of 2013. We are optimistic of

MANAGING DIRECTOR'S LETTER TO SHAREHOLDERS

meeting the target of 80% retail space occupancy and as at to date, we have achieved 70% occupancy rate. The opening of gateway@klia2 also means that our net lettable areas of shopping malls will increase from 1.68 million to about 2.1 million square feet by the second quarter of 2013.

Moving forward, WCT will have an additional 1.77 million square feet of net lettable areas with the opening of its 2 new shopping malls in 2015 and 2016.

India Highway Concessions

In 1999, WCT ventured into Highway Concessions in India via a consortium of Malaysian contractors and constructed the 145km Tada to Nellore highway under a Build-Operate-Transfer ("BOT") scheme. Since then, the Group had invested in two other BOT highway projects, the Durgapur Expressway and the Panagarh-Palsit Expressway. The concession companies for both highways are paid on a semi annuity basis by the National Highways Authority of India.

gateway@klia2

WCT will achieve yet another milestone in its concessions portfolio with the upcoming launch of the airport mall, gateway@klia2 in the second quarter of 2013, which is also the Group's first concession in Malaysia. The airport mall will have about 350,000 square feet of net lettable space that offers 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 mall will also have about 6,000 car park bays to cater for KLIA2 passengers, "meeters" and "greeters" and airport staff. At the heart of the mall is the main transportation hub of KLIA2 where taxis, buses and the Express Rail Link will all meet at this centralized location. The Group is expecting more than 20 million passengers to patronize the airport mall annually when it commences operations.

STRATEGIES, MOVING FORWARD

In 2013, 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 32 years Civil Engineering & Construction track record in iconic projects, our skilled and experienced human capital and our large fleet of plants and machineries;

b) Expand WCT's quality land bank aimed at creating a balanced Property Development profile to also include High-rise Residential, Luxury Homes, Contemporary Offices and Industrial Constructions;

c) Growth in Ownership and Management of Commercial Properties to generate sustainable and recurrent income and maximize capital appreciation of investments;

d) Increase BOT Concession/Public-Private Partnership Portfolio related to public infrastructure; and

e) Develop New Market Presence – Long Term opportunities in ASEAN.

The Group will continue 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 healthy balance sheet enables us to compete and acquire more quality lands as we continue to pursue more lands in Klang Valley, Iskandar Malaysia, Penang and Kota Kinabalu. We plan to leverage on our expertise and track record in Property while our integrated development & construction enables us to participate actively in ETP and Government land programs. 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 2013 and beyond.

Taing Kim Hwa
Managing Director

9 April 2013

MANAGEMENT COMMITTEE

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

Choe Kai Chong
Executive Director - Property

Liang Kai Chong
Executive Director - Engineering & Construction

Wong Yik Kae
Director - Property

Ng Eng Keat
General Manager

Khor Loke Yew
Head of Legal Affairs & Secretarial

Chong Kian Fah
Head of Corporate & Finance/Company Secretary

Wong Lim Fong
Senior Manager - Human Resource & Administration

Loh Chee Mun
Company Secretary

SENIOR MANAGEMENT

Engineering & Construction Division

Ng Eng Keat
General Manager

Mohd Roslan Bin Sarip
Project Director

Saw Aik Hock
Project Director

James Andrew Chai
Project Director

Lim Swee Hock
Senior Project Manager

Ong Ka Thiam
Head of Machinery

Elina Abdul Aziz
Construction Director

Choo Kam Foo
Project Director

SENIOR MANAGEMENT

Property Division

Goh Tong Kiat
Project Director

Stewart Tew Peng Eng
General Manager
- Sales & Marketing

Wan Ahmad Shukri Bin Wan Daud
Project Director

Tan Lip Jin
Project Director

Michael Lee Chee Siong
Project Director

Ben Chong Hock Ben
General Manager
- Shopping Complex

Lim Hang Yang
General Manager
- Development

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" and the adoption of best business ethics and values ultimately 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.

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

ENVIRONMENT

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

Our construction plants and machineries are stringently maintained to ensure minimal emission of pollution and smoke. They undergo annual assessment and independent audit to ensure conformation to the standards of ISO 14001:2004. Regular trainings to promote awareness and responsible environmental practices among our people are conducted regularly.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

WORKPLACE

WCT recognises 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) has been established with the objective of promoting staff unity and teamwork across the Group. During the year, SRC has organised a "WCT Sports Competition 2012" participated by employees from all business units and project sites within the Group. The "WCT Sports Competition 2012" comprised the tournament of Bowling, Badminton and Futsal.

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 RESPONSIBLITY STATEMENT

Blood Donation Campaign, 8 March 2012

Première Hotel organised a blood donation drive on 8 March 2012 at the hotel's studio. The donated blood will benefit units at Tengku Ampuan Rahimah Hospital in Klang. In total, there were 55 successful donors.

Première Hotel Brings Joy to Good Samaritan Home, 4 June 2012

On 4 June 2012, as part of Corporate Social Responsibility (CSR) commitment, volunteers from Première Hotel paid a visit to the Good Samaritan Home, Klang, its adopted children's home organization to bring joy to the Home residents. A place called 'home' to some 36 children, the Good Samaritan Home started in 1999 provides shelther and care for orphans abandoned and abused children.

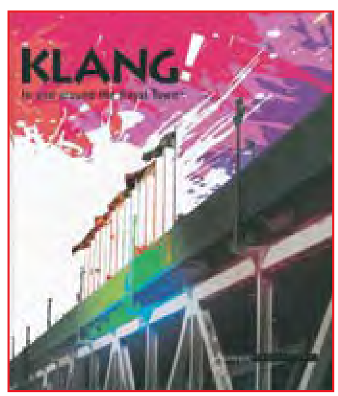
An Enchanting Evening with The Three Degrees, 16 June 2012

Legendary American soul trio The Three Degrees performed live at a charity dinner at Première Hotel on 16 June 2012. Co- sponsored by All Best Entertainment and Première Hotel. An Enchanting Evening with The Three Degrees was held in aid of Selangor Branch Diabetic Association of Malaysia.

WCT Pays Tribute to Klang with Book Launch & Exhibition, 10 July 2012

WCT Berhad (WCT) hosted the launch of Klang! In And Around The Royal Town book in tribute to Klang at a special ceremony held on 10 July 2012 at Première Hotel, Klang.

WCT initiated the project as part of the company's CSR initiative, recognizing the royal town as a significant part of Malaysia's history and highlighting the town's ongoing, strong economic growth and social development. The 188-page book celebrates the history, culture and people of the town by piecing together the perspectives of five writers and a photographer into one good read.



Klang! In And Around The Royal Town is retailed at RM99 a copy at all major bookstores, WCT's Head Office in Glenmarie Shah Alam, WCT Land Sales Office in Klang, Première Hotel and Paradigm Mall and profits from the book sales will be channelled to charity beneficiaries. The beneficiaries include Good Samaritan Home, Persatuan Kebajikan Anak Yatim & Miskin Al-Munirah and Pusat Warga Emas which are located in Klang.

Little Ones treated to Buka Puasa Event, 14 August 2012

Some 100 underprivileged children shared their joy and smile when they were treated to a buka puasa dinner hosted by Première Hotel and Hospital Tengku Ampuan Rahimah at Première Hotel on 14 August. In the spirit of Ramadan, the Hotel Manager Mr. Alan Yap also presented the children duit raya.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Supermarket Sweep for Homes, 14 August 2012

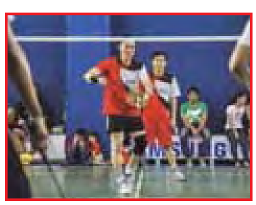
Children from Rumah Amal Suci Rohani, Rumah Kids, Rumah Anak Yatim Limpahan Kasih and Shelter Home were treated to an unforgettable Raya adventure when they participated in the Paradigm Mall-Tesco Charity Community Sweep. Jointly hosted by Tesco and Paradigm Mall, the event also saw members of the media helping children fill their shopping carts with household supplies for their homes.

WCT Invited As A Key Note Speaker To Give A Talk On CSR, 9 November 2012

WCT briefed local authority and residents of our CSR activities in Klang at an event hosted by the Klang Municipal Council (MPK) on 9 November 2012. Over the years, WCT's CSR activities in Klang include donating a piece of land for primary school SRJK Wu Teck in Bandar Parklands, Klang, donating a double-storey corner shop lot in BBT for use as a police station and construction of a flyover at BBT for the convenience of commuters, among others.

Première Hotel Hosts Christmas Bash for Children of Good Samaritan Home, 17 December 2012

In conjunction with Christmas, Première Hotel hosted a Christmas Bash for the children of Good Samaritan Home. They were treated to a festive lunch and fun-filled activities. It was a joyful moment for the hotel associates when they came together to spend time with the children.



WCT Sports Competitions 2012

During the year, the Sports & Recreation Committee of WCT had organised 3 sports competitions and participated by its employees from various divisions with the aim to promote employees' work-life balance, healthy lifestyle and team building:-

(i) Bowling - 14 October 2012
(ii) Badminton - 4 & 11 November 2012
(iii) Futsal - 2 & 9 December 2012

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of WCT Berhad ("the Company") supports and is committed to the principles and recommendations set out in the Malaysian Code on Corporate Governance 2012 ("the Code") and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") 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 and recommendations laid down in the Code. Except for matters specifically identified, the Board of Directors has generally complied with the recommendations 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.

As at to-date, the Board has yet to adopt/formalise a Board Charter. However, the Board will review all the existing policies and framework of the Group and to adopt/formalise a Board Charter comprises the Code of Ethics and Conduct in near future which provides guidance to the Board towards fulfilling its roles, duties and responsibilities which in line with the principles and recommendations of the Code.

The Company is committed to deliver long-term sustainable values to the stakeholders of the Company. The Company's employees' welfare, marketplace, environment and communities are integral part of the Company's social obligation in conducting its business. Details of the Company's social activities are disclosed in the Corporate Social Responsibility Statement of the Company's Annual Report.

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 2012, four (4) meetings were held. Details of the attendance of the Directors at the Board Meetings are as follows:

Directors	Number of meetings attended
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	3/4
Taing Kim Hwa	4/4
Goh Chin Liong	4/4
Choe Kai Keong	4/4
Liang Kai Chong	4/4
Choo Tak Woh	4/4
Andrew Lim Cheong Seng	4/4
Cheah Hon Kuen *(retired on 16 May 2012)*	1/1

STATEMENT ON CORPORATE GOVERNANCE

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

The Board currently comprises eight (8) members, four (4) of whom are Executive Directors, one (1) Non-Independent Non-Executive Director 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. The Board has appointed Mr Choo Tak Woh as the Senior Independent Non-Executive Director to whom concerns of shareholders and other stakeholders 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.

Reinforce Independence

The Board took note of the recommendation of the Code on the tenure of an Independent Director should not exceed a cumulative term of nine years. However, the Board is of the view that the length of service of directors does not affect the Directors in exercising their objective and independent judgement to discharge their duties and responsibilities.

The Board has reviewed and concluded that all the three (3) Independent Non-Executive Directors continue to demonstrate behaviours that reflect their independence and also in compliance with the definition of "Independent Director" under the MMLR of Bursa Securities.

STATEMENT ON CORPORATE GOVERNANCE

Furthermore, the Board is satisfied that Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid and Mr Choo Tak Woh who have served the Board as Independent Non-Executive Directors for more than nine (9) years still remain objective and have actively participated in the Board's and Board Committee's discussion and provided an independent view to the Board. Besides, Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid and Mr Choo Tak Woh have also carrying out their roles as the Chairman of the Nomination & Remuneration Committee and Audit Committee respectively by providing constructive opinion and exercise independent judgement and act in the best interest of the Company.

The Board therefore determined that both Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid and Mr Choo Tak Woh should continue to serve as the Independent Non-Executive Directors of the Company.

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 MMLR of 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 advisers/consultants 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) Choo Tak Woh; and
(iii) Andrew Lim Cheong Seng (appointed on 23 February 2012).

* *Mr Cheah Hon Kuen retired as an Independent Non-Executive Director of the Company on 16 May 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.

STATEMENT ON CORPORATE GOVERNANCE

The NRC meets at least once a year and whenever required. In 2012, two (2) meetings were held and details of the attendance of the NRC members are as follows:

Name	Number of meetings attended
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	2/2
Choo Tak Woh	2/2
Andrew Lim Cheong Seng	1/1

During the financial year, the NRC reviewed the re-election of two (2) directors retiring by rotation at the 31st Annual General Meeting and the appointment of Mr Wong Yik Kae as the Non-Independent Non-Executive Director of the Company, 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.

The annual review and evaluation of the Board as a whole, the Board Committees and the individual directors for year 2012 reported that the Board and the Board Committees had continued to operate effectively towards fulfilling their duties and responsibilities as the members of the Board and Board Committees.

(3) Options Committee

A new Options Committee has been established during the year to administer the Company's new Employees' Share Options Scheme ("ESOS") (2012/2022) following the expiry of the ESOS (2002/2012) on 12 April 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) Choo Tak Woh (Chairman);
(ii) Taing Kim Hwa; and
(iii) Goh Chin Liong.

The Options Committee meets as and when required and in 2012, one (1) meeting was held.

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.

STATEMENT ON CORPORATE GOVERNANCE

Supply of and access to 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 analysis, 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 Company Secretaries will also brief the Board on the proposed contents and timing of the material announcement to be released to Bursa Securities.

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

Company Secretaries

The Company Secretaries are responsible for the Group's secretarial function and compliance issues related to laws, procedures, rules and regulations as well as the principles of the Code. The Company Secretaries attend the Board and Board Committee meetings and ensure that all meetings are properly convened, deliberation and decision made are accurately recorded and properly kept pursuant to the statutory obligation.

The Company Secretaries also responsible for advising the Board of their obligation pertaining to the disclosure of their interest in securities and any transaction involving the Group, restrictions on disclosure of price-sensitive information, prohibition on dealing in securities during the closed period, etc and ensuring that all applicable laws, procedures, rules and regulations affecting the Group as well as the principles of the Code are complied with to enable the Board to discharge their roles and duties effectively.

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.

STATEMENT ON CORPORATE GOVERNANCE

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 2012 was RM196,452/-. The Board will seek shareholders' approval when there is a need to revise the said aggregate amount.

Disclosure

The Board has considered the 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 MMLR 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 2012 are as follows:-

	Directors' Fees (RM)	Salaries, Allowance & Other Emoluments (RM)	Benefits-in-kind & Perquisites (RM)	EPF (RM)	Total (RM)
Executive Directors	108,000	5,194,000	199,587	623,280	6,124,867
Non-Executive Directors	148,452	148,306	51,326	-	348,084
Total	256,452	5,342,306	250,913	623,280	6,472,951

(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**
Up to RM50,000	-	1
RM50,001 to RM100,000	-	2
RM150,001 to RM200,000	-	1
RM900,001 to RM950,000	2	-
RM1,650,001 to RM1,700,000	1	-
RM2,550,001 to RM2,600,000	1	-
Total	**4**	**4***

* *One (1) Independent Non-Executive Director retired on 16 May 2012.*

STATEMENT ON CORPORATE GOVERNANCE

FOSTER COMMITMENT

Commitment of the Board

The Board is satisfy with the level of time committed by the Board in discharging their duties and roles as Directors of the Company. All the Directors of the Company complied with the MMLR of Bursa Securities on the number of directorships held in the public listed companies. Except for the Chairman who is holding in total of five (5) directorships in public listed companies, all other Directors are holding only one directorship in public listed company, i.e. WCT.

An annual corporate meetings calendar is prepared in advance and sent to the Board before the beginning of every year which provides the scheduled meetings dates for the Board , Board Committees, the Annual General Meeting and trainings/ seminars to be organised by the Company to facilitate the planning of Directors' time.

Directors' training

All the Directors have attended the Mandatory Accreditation Programme ("MAP") organised by Bursa Securities. The Directors will continue to undergo other appropriate training programmes to further enhance their professionalism and knowledge as directors of a public listed company and to keep abreast with new development within the business environment.

During the year, all the Directors have attended the following in-house trainings organised for the Directors and senior management:-

(A) The Board's Role in Governance & the Audit Committee's Oversight Responsibilities (6 March 2012); and
(B) Internal Control Framework - A Practical Insight In Doing It Right (19 June 2012).

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

Andrew Lim Cheong Seng*
- Financial Statement Preparation and Analysis (24 & 25 September 2012)

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid*
- The Role and Responsibilities for Financial Reporting (20 November 2012)

Choo Tak Woh*
- Getting Ready for MFRSs 2013 (6 & 7 December 2012)

** Denotes a member of the Audit Committee*

ENSURE TIMELY AND HIGHLY QUALITY DISCLOSURE

The Board recognised the importance of prompt and timely dissemination of accurate and sufficient information concerning the Company and its Group to the shareholders, investors and other stakeholders to enable them to make informed decision.

The Company practises to release all announcements, material and price sensitive information in a timely manner to Bursa Securities as required under the MMLR of Bursa Securities as well as release the Company's updates to the market and community through the Company's websites, media release and other appropriate channels. 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.

STATEMENT ON CORPORATE GOVERNANCE

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.

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 the following persons on all investor related matters:-

Mr Chong Kian Fah
Head of Corporate & Finance
Tel : +603 7805 2266
Email : kian-fah.chong@wct.my

Ms Angelin Vegabalan
Corporate Affairs Department
Tel : +603 7805 2266
Email : angelin.vegabalan@wct.my

STATEMENT ON CORPORATE GOVERNANCE

Investor Relations Activities in 2012

Below is a summary of the investor relations activities undertaken in the financial year 2012:-

	Total
Meetings/Conference Calls with investors, analysts and fund managers	41
Investors briefings	4
Regional investors road shows/conferences	6
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 shareholders may channel their queries to the Company's External Auditors and to discuss with the Directors on the 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.

STATEMENT ON CORPORATE GOVERNANCE

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

The Board acknowledges its responsibility for maintaining a sound system of internal controls to safeguard the shareholders' investment and the Group's assets. 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 risk that may impede the attainment of the Group's objectives.

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 both external and internal Auditors can be found in the Audit Committee Report set out in this Annual Report.

The Audit Committee is of the opinion that the external Auditors are independent with respect to the Company and its Group, in accordance with the Bye-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants. In addition, to the best knowledge of the Audit Committee, the provision of non-audit services by the external auditors during the year did not compromise the external Auditors' independence.

(This Statement on Corporate Governance has been approved by the Board of Directors via a resolution dated 9 April 2013.)

OTHER DISCLOSURES

The following disclosures in respect of the financial year ended 31 December 2012 are provided for shareholders' information and in accordance with the requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"):-

1. Utilisation of Proceeds raised from Corporate Proposals

There were no proceeds raised from corporate proposals during the financial year ended 31 December 2012.

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 2012, the following quantum were exercised or converted into ordinary shares:-

(i) 2,352,912 ordinary shares of RM0.50 each were issued arising from the conversion of 11,764,555 Irredeemable Convertible Preference Shares ("ICPS") of RM0.10 each by surrendering five (5) ICPS for one (1) new ordinary share;

(ii) 3,892,611 ordinary shares of RM0.50 each were issued arising from the exercise of 3,892,611 Warrants 2008/2013;

(iii) 196,346 ordinary shares of RM0.50 each were issued arising from the exercise of 196,346 Warrants 2011/2016;

(iv) 15,290,438 ordinary shares of RM0.50 each were issued arising from the exercise of 15,290,438 options granted to employees pursuant to the Employees Share Options Scheme (2002/2012); and

(v) 1,078,000 ordinary shares of RM0.50 each were issued arising from the exercise of 1,078,000 options granted to employees pursuant to the Employees Share Options Scheme (2012/2022).

4. Information in relation to Employees' Share Options Scheme

(i) The Company has on 18 May 2012 established and implemented a new Employees' Share Option Scheme ("ESOS") (2012/2022) following the expiry of the ESOS (2002/2012) on 12 April 2012.

(ii) The total number of options granted, exercised and outstanding under the ESOS (2012/2022) since its commencement up to 31 December 2012 are as set out in the table below:-

Description	Number of Options (Since commencement up to 31 December 2012)	
	Grand Total	Directors
(a) Granted	6,920,000	1,830,000
(b) Exercised	1,078,000	0
(c) Outstanding*	6,718,300	2,104,500

* *after adjustment pursuant to the Bonus Issues of ordinary shares and Warrants 2012/2017*

OTHER DISCLOSURES

(iii) Percentages of options applicable to Directors and Senior Management under the ESOS (2012/2022):

Directors and Senior Management	FYE 2012	Since commencement up to 31 December 2012
(a) Aggregate maximum allocation	42.28%	42.28%
(b) Actual granted	36.97%	36.97%

(iv) The table below sets out the options offered to and exercised by the Non-Executive Directors of the Company pursuant to ESOS (2012/2022) in respect of the financial year ended 2012 as well as their outstanding options as at 31 December 2012:-

	Options over Ordinary Shares of RM0.50 each		
Name of Director	Number of Options Granted	Number of Options Exercised	Balance as at 31.12.2012*
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	50,000	0	57,500
Choo Tak Woh	30,000	0	34,500

* *after adjustment pursuant to the Bonus Issues of ordinary shares and Warrants 2012/2017*

5. 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.

6. Non-Audit fees

The amount of non-audit fees paid to the external auditors by the Group and the Company for the financial year ended 31 December 2012 amounted to RM203,000 and RM110,000 respectively.

7. Depository Receipt Programme

The Company did not sponsor any depository receipt programme during the financial year.

8. Variation in Results

There were no profit estimate, forecasts or projections made or released by the Company during the financial year ended 31 December 2012.

9. Profit Guarantee

There were no profit guarantees given by the Company for the financial year 2012.

OTHER DISCLOSURES

10. 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.

11. Recurrent Related Party Transactions of A Revenue Nature

The Company did not seek any mandate from its shareholders as required under Paragraph 10.09(2)(b) of Chapter 10 of the Main Market Listing Requirements of Bursa Securities at the Annual General Meeting of the Company held in year 2012.

STATEMENT ON INTERNAL CONTROL

BOARD RESPONSIBILITY

The Board acknowledges its responsibility for maintaining a sound system of internal controls to safeguard the shareholders' investment and the Group's assets as well as reviewing the adequacy and integrity of the system. Notwithstanding, 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.

The Group's system of internal controls covers risk management and financial, operational and compliance controls. The internal control system of the Group is supported by an appropriate organisation structure with clear reporting lines, defined lines of responsibilities and authorities with the establishment of various Board and Management Committees as follows:

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.

RISK MANAGEMENT

The Board acknowledges that risk management is an important aspect of the Group's growing operations with the objective of maintaining a sound internal control system. To enable this, an appropriate risk management structure which includes Risk Management Policy, Project Risk Management Manual/Guideline and Project Risk Management Process has been established to provide a structured and focused approach to managing risks.

The Risk Management Committee ("RMC"), which consists of an Independent Non-Executive Director (as Advisor) and key management personnel from various departments is entrusted with the responsibility of implementing and maintain the appropriate risk management framework with the following objectives:

- Identify, assess, treat, report and monitor significant risk in a effective manner;
- Enable systematic risk review and reporting on key risks, existing control measures and any proposed action plan; and
- Ensure that risk management process and culture are embedded throughout the Group.

STATEMENT ON INTERNAL CONTROL

INTERNAL AUDIT FUNCTION

The Group Internal Audit Department ("GIA") was assigned to provide assurance on the effectiveness of the system of internal control within the Group. 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.

Through regular audit visits, 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 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 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

- Clear organization structure with defined reporting line.
- Defined level of authorities and lines of responsibilities from operating units up to the Board level to ensure accountabilities for risk management and internal control.
- The Group has various support functions comprising secretarial, legal, human resource, corporate & finance and IT which are centralised.
- RMC sits regularly to review and recommend the risk management policies, strategies and risk mitigation actions for the Company as well as reporting to the Management Committee.
- Training and development programmes are identified and scheduled to ensure that staff are kept up to date with the necessary competencies to carry out their responsibilities towards achieving Group's objectives.
- Regular Board and Management meetings to assess the Group's performance and controls.
- Comprehensive financial and operational information are presented to the Management and the Board in a timely manner.
- Policies, operational procedures and guidelines are documented to provide guidance to all levels of employees. These policies and procedures are being reviewed to ensure that it remains current and relevant.

STATEMENT ON INTERNAL CONTROL

- Regular visits by Senior Management, AC members and personnel from GIA 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.

  Proper guidelines on the hiring, termination and appraisal of staff are in place. A Salary Committee consist of personnel from various departments and the Executive Director meets periodically to discuss matters on staff confirmation, extension of contract, salary review and other human resource related matters.

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

- WCT Core Value together with its Mission and Vision was launched by the Group Managing Director during the year to unite every member of WCT family through Winning – Commitment -Teamwork – Humility and Respect which has been main ingredients for WCT continuous growth and success.

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.

This Statement on Internal Control has been approved by the the Board of Directors via a resolution dated 9 April 2013.

AUDIT COMMITTEE REPORT

A. MEMBERSHIP

The Audit Committee comprises the following members:-

Chairman : Choo Tak Woh
(Independent Non-Executive Director, re-designated as the Chairman of Audit Committee on 16 May 2012)

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

Andrew Lim Cheong Seng
(Independent Non-Executive Director)

* *Mr Cheah Hon Kuen retired as an Independent Non-Executive Director and as the Chairman of the Audit Committee of the Company on 16 May 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 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 Malaysia Securities Berhad ("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.

AUDIT COMMITTEE REPORT

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

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

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 2012, a total of six (6) Audit Committee Meetings were held, details of the attendance of the members are as follows:-

Name	Number of meetings attended
Choo Tak Woh	6/6
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	5/6
Andrew Lim Cheong Seng	6/6

AUDIT COMMITTEE REPORT

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 co-operate 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.

AUDIT COMMITTEE REPORT

(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 2012, 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;

AUDIT COMMITTEE REPORT

(7) Reviewed thirty three (33) internal audit reports on operational, financial and compliance audit for construction, property development, property management, hotel and mall operation and toll concession operation both local and overseas;

(8) Discussed and approved thirty one (31) internal audits plan for year 2013 for both Construction and Property Divisions;

(9) Visited five (5) completed and on-going constructions and property development project to obtain better information on the progress of such projects and understand the project execution process and encumbrances faced during the project implementation stage;

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

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

D. INTERNAL AUDIT FUNCTION

The Group Internal Audit Department ("GIA") of WCT which reports directly to the Audit Committee is responsible to carry out the internal audit function of the Group. 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. 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 2012 was approximately RM597,977/-.

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 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

E. ACTIVITIES OF THE INTERNAL AUDIT FUNCTION IN 2012

GIA conducts regular reviews and appraisal of the Group's system of internal control in terms of operational and financial to provide assurance to the Board on the efficiency and effectiveness of the systems. For year 2012, reviews and appraisals conducted by GIA are based on the Internal Audit Plan for year 2012 as approved by the Audit Committee.

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 includes (but not limited to) the following:-

(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 2012, GIA completed thirty three (33) audit reviews which categorised as follows:-

No.	Type of Review	Number of Completed Reviews
1	On-going/completed construction and property development project	10
2	Property development projects	1
3	Toll concessionaire	1
4	Department/Process Operation	18
5	New business	2
6	Compliance	1
Total:		**33**

(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.

AUDIT COMMITTEE REPORT

(3) Visit with Audit Committee Members

For year 2012, Manager-Internal Audit accompanied the members of the Audit Committee visited the following local projects:-

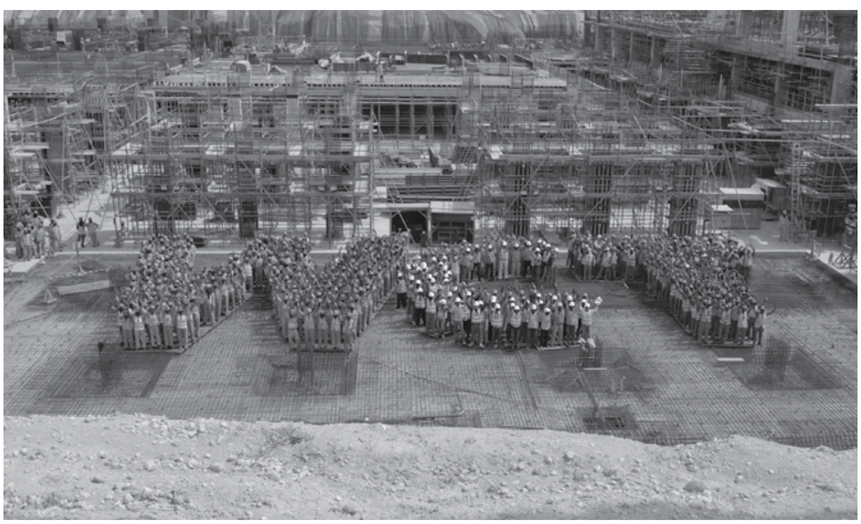
No	Name of Project	Status at Visit
1	Milau Long Term Water Supply Project, Kudat, Sabah	Completed and in operation
2	d'Banyan Residency @Sutera, Kota Kinabalu, Sabah	Under construction
3	Tuaran Hospital, Tuaran, Sabah	Under construction
4	Kota Kinabalu Medical Centre, Kota Kinabalu, Sabah	Under construction
5	gateway@klia2, Sepang, Selangor	Under construction

(4) Review of Internal Control System of New Business

In 2012, GIA assessed the integrity, adequacy, effectiveness and efficiency of the system of internal control in terms of operational and financial of the Group's first self-operated mall, Paradigm Mall in Kelana Jaya which was opened on 23rd May 2012. The areas assessed are as follows:-

- Advertising and Promotion
- Mall Maintenance
- Tenancy including Debtors
- Parking Operation

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 2012.

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	345,703	227,097
Attributable to:		
Equity holders of the Company	358,861	227,097
Non-controlling interest	(13,158)	-
	345,703	227,097

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

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the effects that may arise from the event disclosed in Note 49 to the financial statements.

DIRECTORS' REPORT

DIVIDENDS

The amount of dividends paid by the Company since 31 December 2011 were as follows:

	RM'000
In respect of the financial year ended 31 December 2011:	
Final dividend of 3.0 sen per ordinary share less tax at 25% and a final tax exempt dividend of 1.5 sen per ordinary share on 820,732,790 ordinary shares of RM0.50 each, paid on 8 June 2012	30,777
In respect of the financial year ended 31 December 2012:	
Fifth and last dividend of 1.35 sen per Irredeemable Convertible Preference Shares ("ICPS") of RM0.10 each on 10,516,614 ICPS, paid on 6 August 2012	142
Single tier interim dividend of 3.75 sen per ordinary share on 822,878,100 ordinary shares of RM0.50 each, paid on 20 September 2012	30,858
	61,777

Subsequent to the financial year end, on 25 February 2013, the Directors declared an interim single tier dividend of 3.25 sen per ordinary share of RM0.50 each on 1,066,668,878 ordinary shares amounting to RM34,666,739.

The financial statements for the current financial year do not reflect this dividend. Upon declaration, the dividend payment will be accounted for in the shareholders' equity as an appropriation of retained profits in the next financial year ending 31 December 2013. The Directors do not propose any final dividend in respect of the financial year ended 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
Choo Tak Woh
Andrew Lim Cheong Seng
Wong Yik Kae *(Appointed on 2 January 2013)*
Cheah Hon Kuen *(Retired on 16 May 2012)*

DIRECTORS' REPORT

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 37(c)) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 41.

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, Warrants 2012/2017 and options over ordinary shares in the Company during the financial year were as follows:

	WCT Berhad				
	No. of ordinary shares of RM0.50 each				
	1 January 2012	**Bonus Issues**	**Acquired**	**(Disposed)**	**31 December 2012**
Dato' Capt. Ahmad Sufian@Qurnain Bin Abdul Rashid					
- direct	1,228,000	180,000	70,332	(98,332)	1,380,000
- indirect (child)	22,000	3,000	10,000	(12,000)	23,000
Taing Kim Hwa					
- direct	2,146,445	311,737	-	(68,200)	2,389,982
- indirect	161,633,794	24,245,069	-	-	185,878,863
Goh Chin Liong					
- direct	5,478,033	821,705	-	-	6,299,738
Choe Kai Keong					
- direct	2,427,975	372,946	58,332	-	2,859,253
Liang Kai Chong					
- direct	3,077,394	471,059	63,000	-	3,611,453
- indirect (spouse)	203,498	30,525	-	-	234,023
Choo Tak Woh					
- direct	-	-	26,332	(26,332)	-
- indirect (spouse)	286,780	40,967	26,332	(40,000)	314,079

DIRECTORS' REPORT

DIRECTORS' INTERESTS *cont'd*

By virtue of his interest in the Company, Taing Kim Hwa is also deemed interested in shares of all subsidiaries to the extend the Company has an interest.

	WCT Berhad			
	Number of Warrants 2008/2013			
	1 January 2012	**Acquired**	**(Disposed)**	**31 December 2012**
Taing Kim Hwa				
- direct	1,607,863	-	-	1,607,863
- indirect	32,558,599	-	(6,023,200)	26,535,399
Goh Chin Liong				
- direct	803,000	-	-	803,000
Choe Kai Keong				
- direct	526,400	-	-	526,400

The terms and conditions of Warrants 2008/2013 are disclosed in Note 27(d).

	WCT Berhad			
	Number of Warrants 2011/2016			
	1 January 2012	**Acquired**	**(Disposed)**	**31 December 2012**
Dato' Capt. Ahmad Sufian@Qurnain Bin Abdul Rashid				
- direct	100,000	-	-	100,000
Taing Kim Hwa				
- direct	601,000	-	-	601,000
- indirect	38,505,958	3,822,700	-	42,328,658
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

The terms and conditions of Warrants 2011/2016 are disclosed in Note 27(e).

DIRECTORS' REPORT

DIRECTORS' INTERESTS *cont'd*

	WCT Berhad			
	Number of Warrants 2012/2017			
	Warrants allotted on 12 December 2012	Acquired	(Disposed)	31 December 2012
Dato' Capt. Ahmad Sufian@Qurnain Bin Abdul Rashid				
- direct	240,000	-	-	240,000
- indirect (child)	4,000	-	-	4,000
Taing Kim Hwa				
- direct	415,649	-	-	415,649
- indirect	32,326,760	6,134,000	-	38,460,760
Goh Chin Liong				
- direct	1,095,607	-	-	1,095,607
Choe Kai Keong				
- direct	497,262	-	-	497,262
Liang Kai Chong				
- direct	628,080	-	-	628,080
- indirect (spouse)	40,700	-	-	40,700

The terms and conditions of Warrants 2012/2017 are disclosed in Note 27(f).

	Number of share options over ordinary shares of RM0.50 each pursuant to WCT Berhad's ESOS 2002/2012			
	1 January 2012	Granted	(Exercised)	31 December 2012
Dato' Capt. Ahmad Sufian@Qurnain Bin Abdul Rashid	50,332	-	(50,332)	-
Choe Kai Keong	58,332	-	(58,332)	-
Liang Kai Chong	63,000	-	(63,000)	-
Choo Tak Woh	26,332	-	(26,332)	-

Further information of the ESOS 2002/2012 are disclosed in Note 27(b).

DIRECTORS' REPORT

DIRECTORS' INTERESTS *cont'd*

	Number of share options over ordinary shares of RM0.50 each pursuant to WCT Berhad's ESOS 2012/2022			
	1 January 2012	Granted	Adjustment *	31 December 2012
Dato' Capt. Ahmad Sufian@Qurnain Bin Abdul Rashid	-	50,000	7,500	57,500
Taing Kim Hwa	-	800,000	120,000	920,000
Goh Chin Liong	-	450,000	67,500	517,500
Choe Kai Keong	-	250,000	37,500	287,500
Liang Kai Chong	-	250,000	37,500	287,500
Choo Tak Woh	-	30,000	4,500	34,500

Further information of the ESOS 2012/2022 are disclosed in Note 27(c).

* *Adjustments were made to the outstanding unexercised options on 10 December 2012 following the bonus issue of 3 new ordinary shares for every 20 existing ordinary shares held.*

ISSUE OF SHARES

Ordinary shares

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM402,604,102 to RM475,820,236, comprising 951,640,473 ordinary shares of RM0.50 each, by way of:

(i) issuance of 15,290,438 new ordinary shares of RM0.50 each pursuant to the exercise of the ESOS 2002/2012 at the exercise prices ranging from RM0.61 to RM2.44 per ordinary share;

(ii) issuance of 2,352,912 new ordinary shares of RM0.50 each pursuant to the conversion of 11,764,555 ICPS of RM0.10 each which was satisfied by surrendering 5 ICPS for each new ordinary share;

(iii) issuance of 20,511 new 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 3,872,100 new ordinary shares of RM0.50 each pursuant to the conversion of Warrants 2008/2013 at an exercise price of RM1.85 per ordinary share for cash;

(v) issuance of 196,346 new 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;

(vi) issuance of 1,078,000 new ordinary shares of RM0.50 each pursuant to the exercise of the ESOS 2012/2022 at the exercise price of RM2.201 per ordinary share; and

(vii) allotment of 123,621,962 new ordinary shares of RM0.50 each on 12 December 2012 credited as fully paid pursuant to the bonus issue on the basis of 3 new ordinary shares for every 20 existing ordinary shares held in the Company ("Bonus Issue of Shares").

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

DIRECTORS' REPORT

ISSUE OF SHARES *cont'd*

Irredeemable Convertible Preference Shares ("ICPS")

As mentioned in (ii) above, 11,764,555 ICPS of RM0.10 each were converted into 2,352,912 new ordinary shares of RM0.50 each during the financial year. The ICPS matured on 6 August 2012.

Employees' Share Option Scheme 2012/2022 ("ESOS 2012/2022")

Details of the ESOS 2012/2022 and options granted and not exercised as at 31 December 2012 are disclosed in Note 27(c).

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 have been granted options to subscribe for less than 70,000 ordinary shares of RM0.50 each during the financial year ended 31 December 2012.

The names of option holders who are granted options to subscribe for 70,000 or more ordinary shares of RM0.50 each during the financial year, other than directors whose details are disclosed in the section on Directors' Interest in this financial statement, are as follows:

	Number of share options over ordinary shares of RM0.50 each pursuant to WCT Berhad's ESOS 2012/2022				
	1 January 2012	**Granted**	**(Exercised)**	**Adjustment ***	**31 December 2012**
Wong Sewe Wing	-	100,000	(100,000)	-	-
Mohd Roslan bin Sarip	-	88,000	-	13,200	101,200
Ng Eng Keat	-	88,000	-	13,200	101,200
Saw Aik Hock	-	88,000	-	13,200	101,200
Lim Swee Hock	-	80,000	(80,000)	-	-
Goh Tong Kiat	-	75,000	(50,000)	3,750	28,750
Steward Tew Peng Eng	-	75,000	(60,000)	2,250	17,250
James Andrew Chai	-	75,000	-	11,250	86,250
Choo Kam Foo	-	75,000	-	11,250	86,250
Chong Kian Fah	-	61,000	-	9,150	70,150

* *Adjustments were made to the outstanding unexercised options on 10 December 2012 following the bonus issue of 3 new ordinary shares for every 20 existing ordinary shares held.*

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 terms of the Warrants 2008/2013 are disclosed in Note 27(d).

The exercise price of Warrants 2008/2013 was 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.

ISSUE OF SHARES *cont'd*

Warrants 2008/2013 *cont'd*

Adjustment was made to the exercise price of the outstanding Warrants 2008/2013 from RM2.50 to RM1.85 as a result of the Bonus Issue of Shares and the Bonus Issue of Warrants in accordance with the provisions of the Deed Poll dated 12 March 2008 constituting the Warrants 2008/2013 to ensure that the status of the holders of Warrants 2008/2013 is not prejudiced as a result of the Bonus Issue of Shares and the Bonus Issue of Warrants.

As at year end of the financial year, 135,458,192 Warrants 2008/2013 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 Market of Bursa Malaysia Securities Berhad on 18 March 2011. The salient terms of the Warrants 2011/2016 are disclosed in Note 27(e).

Adjustment was made to the exercise price of the outstanding Warrants 2011/2016 from RM2.75 to RM2.04 as a result of the Bonus Issue of Shares and the Bonus Issue of Warrants in accordance with the provisions of the Deed Poll dated 17 December 2010 (as amended and varied via the supplemental Deed Poll dated 30 August 2012), to ensure that the status of the holders of Warrants 2011/2016 is not prejudiced as a result of the Bonus Issue of Shares and the Bonus Issue of Warrants.

As at year end of the financial year, 157,015,351 Warrants 2011/2016 remain unexercised.

Warrants 2012/2017

On 12 December 2012, the Company issued 164,829,282 Warrants 2012/2017 pursuant to the bonus issue of 1 Warrant 2012/2017 for every 5 existing ordinary shares held in the Company ("Bonus Issue of Warrants").

The bonus share and bonus warrant were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 20 December 2012. The salient terms of the Warrants 2012/2017 are disclosed in Note 27(f).

As at year end of the financial year, 164,829,282 Warrants 2012/2017 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 allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance 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.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION *cont'd*

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

(i) it necessary to write off any bad debts or the amount written off for bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent in respect of the financial statements; and

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

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

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

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

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

(ii) any contingent liability of the Group or of the Company which 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 47 to the financial statements.

SUBSEQUENT EVENTS

Details of subsequent events are disclosed in Note 48 to the financial statements.

DIRECTORS' REPORT

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 9 April 2013.

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 73 to 211 are 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 2012 and of the 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 51 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 9 April 2013.

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 73 to 212 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 9 April 2013

CHONG KIAN FAH

Before me,

N. Thinaharakumar, (No: W537)
Commissioner for Oath

INDEPENDENT AUDITORS' REPORT

to the members of WCT Berhad
(Incorporated in Malaysia)

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 2012 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 73 to 211.

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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 the 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 2012 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(b) and Note 49 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
(Incorporated in Malaysia)

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 and did not include any comment required to be made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 51 on page 212 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.

OTHER MATTERS

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

ERNST & YOUNG
AF: 0039
Chartered Accountants

LOW KHUNG LEONG
No. 2697/01/15 (J)
Chartered Accountant

Kuala Lumpur, Malaysia
9 April 2013

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2012

		Group			Company	
			(Restated)	(Restated)		
		31.12.2012	31.12.2011	01.01.2011	31.12.2012	31.12.2011
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets						
Property, plant and equipment	4	276,230	270,250	292,163	37,847	23,623
Land held for property development	5(a)	388,471	266,438	220,761	-	-
Investment properties	6	1,311,523	814,023	614,266	-	-
Investments in subsidiaries	7	-	-	-	517,204	504,647
Investments in associates	8	157,317	159,529	176,966	520	520
Investments in joint operations	9(a)	-	-	-	134	134
Investments in joint venture	9(b)	49,835	1,581	-	-	-
Other investments	10	9,721	9,750	9,804	-	-
Trade receivables	12	358,625	374,640	389,324	38,598	47,886
Other receivables	13	261,609	261,584	233,920	6,765	6,462
Due from related parties	14	23,731	15,356	-	-	-
Deferred tax assets	32	25,667	23,624	7,219	854	389
		2,862,729	2,196,775	1,944,423	601,922	583,661
Current assets						
Property development costs	5(b)	313,710	289,564	228,783	-	-
Inventories	11	73,859	51,431	74,393	10,855	10,853
Trade receivables	12	706,355	634,062	854,594	205,176	265,528
Other receivables	13	270,779	407,702	271,998	74,744	72,468
Due from related parties	14	75,739	188,780	4,418	1,050,178	988,736
Tax recoverable		6,141	11,234	12,468	261	2,953
Cash and cash equivalents	15	1,077,715	790,002	1,162,407	712,918	477,100
		2,524,298	2,372,775	2,609,061	2,054,132	1,817,638
Current liabilities						
Trade payables	16	666,262	562,346	802,505	36,225	15,616
Other payables	17	417,100	396,441	228,353	77,244	210,917
Due to related parties	14	-	-	-	66,296	164,951
Borrowings	18	930,715	466,059	505,439	497,545	153,120
Tax payable		15,784	6,718	1,136	1,990	-
		2,029,861	1,431,564	1,537,433	679,300	544,604
Net current assets		494,437	941,211	1,071,628	1,374,832	1,273,034
		3,357,166	3,137,986	3,016,051	1,976,754	1,856,695

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2012

		Group			Company	
			(Restated)	(Restated)		
		31.12.2012	31.12.2011	01.01.2011	31.12.2012	31.12.2011
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
Financed by:						
Equity attributable to equity holders of the Company						
Share capital	27	475,820	402,604	393,471	475,820	402,604
Irredeemable Convertible Preference Shares	28	-	1,176	2,069	-	1,176
Share premium	29	394,086	414,206	379,869	394,086	414,206
Reserves	30	940,551	658,462	492,338	330,715	163,978
		1,810,457	1,476,448	1,267,747	1,200,621	981,964
Non-controlling interest	31	56,958	282,586	275,150	-	-
Total equity		1,867,415	1,759,034	1,542,897	1,200,621	981,964
Non-current liabilities						
Trade payables	16	66,618	89,732	105,176	6,848	3,834
Other payables	17	488,293	336,109	226,541	188,205	84,971
Due to related parties	14	-	-	-	2,918	30,973
Borrowings	18	893,313	917,740	1,127,422	578,162	754,953
Deferred tax liabilities	32	41,527	35,371	14,015	-	-
		1,489,751	1,378,952	1,473,154	776,133	874,731
		3,357,166	3,137,986	3,016,051	1,976,754	1,856,695

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

INCOME STATEMENTS

for the Financial Year Ended 31 December 2012

		Group	Group	Company	Company
			(Restated)		
		31.12.2012	31.12.2011	31.12.2012	31.12.2011
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	33	1,560,354	1,538,589	654,825	700,696
Cost of sales	34	(1,220,788)	(1,241,613)	(381,106)	(621,905)
Gross profit		339,566	296,976	273,719	78,791
Other operating income	35	244,627	67,592	34,660	81,400
Administration expenses		(88,108)	(73,776)	(19,712)	(21,220)
Other expenses		(28,306)	(34,927)	(5,658)	(595)
Operating profit		467,779	255,865	283,009	138,376
Finance costs	36	(68,884)	(66,661)	(47,642)	(50,965)
Share of results of associates	8	16,795	16,750	-	-
Share of results of joint venture	9(b)	(746)	1,584	-	-
Profit before taxation	37	414,944	207,538	235,367	87,411
Taxation	38	(69,241)	(41,044)	(8,270)	(7,364)
Profit after taxation		345,703	166,494	227,097	80,047
Attributable to:					
Equity holders of the Company		358,861	165,988	227,097	80,047
Non-controlling interest	31	(13,158)	506	-	-
		345,703	166,494	227,097	80,047
Earnings per share attributable to equity holders of the Company (sen)					
- Basic	39 (i)	38.01	17.98		
- Fully diluted	39 (ii)	36.34	16.44		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

for the Financial Year Ended 31 December 2012

	Group		Company	
		(Restated)		
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
Profit after taxation	345,703	166,494	227,097	80,047
Other comprehensive (loss)/income:-				
Foreign currency translation	(27,521)	3,230	-	-
Revaluation increase of freehold land and buildings	7,103	11,843	3,800	-
Transfer from general reserve in respect of a foreign entity	-	(1,178)	-	-
Other comprehensive (loss)/income for the year, net of tax	(20,418)	13,895	3,800	-
Total comprehensive income for the year	325,285	180,389	230,897	80,047
Total comprehensive income for the year attributable to:				
Equity holders of the Company	346,249	172,953	230,897	80,047
Non-controlling interest	(20,964)	7,436	-	-
	325,285	180,389	230,897	80,047

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the Financial Year Ended 31 December 2012

		← Attributable to equity holders of the Company											→		
				← Non-Distributable						→	← Distributable →				
	Note	Share capital (Note 27) RM'000	Preference share (Note 28) RM'000	Share premium (Note 29) RM'000	Warrant reserve (Note 30) RM'000	Revaluation reserve (Note 30) RM'000	Other reserve (Note 30) RM'000	Capital reserve (Note 30) RM'000	Equity compensation reserve (Note 30) RM'000	Exchange reserve (Note 30) RM'000	General reserve (Note 30) RM'000	Retained profits (Note 30) RM'000	Total RM'000	Non-controlling interest (Note 31) RM'000	Total equity RM'000
Group															
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	501,914	1,256,378	275,150	1,531,528
- effect of adopting amendments to FRS 112	2.2	-	-	-	-	-	-	-	-	-	-	11,369	11,369	-	11,369
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	513,283	1,267,747	275,150	1,542,897
Profit for the financial year		-	-	-	-	-	-	-	-	-	-	165,988	165,988	506	166,494
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)	165,988	172,953	7,436	180,389
Dividends paid to shareholders	40	-	-	-	-	-	-	-	-	-	-	(60,354)	(60,354)	-	(60,354)
Share options vested under ESOS	37(b)	-	-	-	-	-	-	-	10,090	-	-	-	10,090	-	10,090
Arising from share options exercised	27 & 29	7,867	-	22,756	-	-	-	-	-	-	-	-	30,623	-	30,623
Arising from conversion of ICPS	28	893	(893)	-	-	-	-	-	-	-	-	-	-	-	-
Arising from conversion of warrants	27 & 29	373	-	1,673	-	-	-	-	-	-	-	-	2,046	-	2,046
Arising from issuance of warrants		-	-	-	53,343	-	-	-	-	-	-	-	53,343	-	53,343
Transfer within reserve for ESOS exercised	29	-	-	9,659	-	-	-	-	(9,659)	-	-	-	-	-	-
Transfer within reserve for warrants exercised	29	-	-	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	618,917	1,476,448	282,586	1,759,034

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the Financial Year Ended 31 December 2012

		← Attributable to equity holders of the Company →													
				← Non-Distributable →							← Distributable →				
		Share capital (Note 27)	Preference share (Note 28)	Share premium (Note 29)	Warrant reserve (Note 30)	Revaluation reserve (Note 30)	Other reserve (Note 30)	Capital reserve (Note 30)	Equity compensation reserve (Note 30)	Exchange reserve (Note 30)	General reserve (Note 30)	Retained profits (Note 30)	Total	Non-controlling interest (Note 31)	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 2012															
- as previously stated		402,604	1,176	414,206	87,782	20,653	476	2,846	16,655	(90,305)	1,438	615,352	1,472,883	282,586	1,755,469
- effect of adopting amendments to FRS 112	2.2	-	-	-	-	-	-	-	-	-	-	3,565	3,565	-	3,565
At 1 January 2012, as restated		402,604	1,176	414,206	87,782	20,653	476	2,846	16,655	(90,305)	1,438	618,917	1,476,448	282,586	1,759,034
Profit for the financial year		-	-	-	-	-	-	-	-	-	-	358,861	358,861	(13,158)	345,703
Other comprehensive income/(loss)		-	-	-	-	7,103	-	-	-	(19,715)	-	-	(12,612)	(7,806)	(20,418)
Total comprehensive income/(loss) for the year		-	-	-	-	7,103	-	-	-	(19,715)	-	358,861	346,249	(20,964)	325,285
Dividends paid to shareholders	40	-	-	-	-	-	-	-	-	-	-	(61,777)	(61,777)	-	(61,777)
Dividends paid to non-controlling interest		-	-	-	-	-	-	-	-	-	-	-	-	(204,664)	(204,664)
Share options vested under ESOS	37(b)	-	-	-	-	-	-	-	9,095	-	-	-	9,095	-	9,095
Arising from share options exercised	27 & 29	8,184	-	24,502	-	-	-	-	-	-	-	-	32,686	-	32,686
Arising from conversion of ICPS	28	1,176	(1,176)	-	-	-	-	-	-	-	-	-	-	-	-
Arising from conversion of warrants	27 & 29	2,045	-	5,711	-	-	-	-	-	-	-	-	7,756	-	7,756
Arising from bonus issue		61,811	-	(61,811)	-	-	-	-	-	-	-	-	-	-	-
Transfer within reserve for ESOS exercised	29	-	-	10,443	-	-	-	-	(10,443)	-	-	-	-	-	-
Transfer within reserve for warrants exercised	29	-	-	1,035	(1,035)	-	-	-	-	-	-	-	-	-	-
Transfer within reserve		-	-	-	-	-	(27)	-	(12,634)	-	-	12,661	-	-	-
At 31 December 2012		475,820	-	394,086	86,747	27,756	449	2,846	2,673	(110,020)	1,438	928,662	1,810,457	56,958	1,867,415

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

for the Financial Year Ended 31 December 2012

		← Non-Distributable					→	Distributable	
	Note	Share capital (Note 27) RM'000	Preference share (Note 28) RM'000	Share premium (Note 29) RM'000	Warrant reserve (Note 30) RM'000	Revaluation reserve (Note 30) RM'000	Equity compensation reserve (Note 30) RM'000	Retained profits (Note 30) RM'000	Total equity RM'000
Company									
At 1 January 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
Total comprehensive income for the year		-	-	-	-	-	-	80,047	80,047
Dividends	40	-	-	-	-	-	-	(60,354)	(60,354)
Share options vested under ESOS	37(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	27 & 29	7,867	-	22,756	-	-	-	-	30,623
Arising from conversion of ICPS	28	893	(893)	-	-	-	-	-	-
Arising from conversion of warrants	27 & 29	373	-	1,673	-	-	-	-	2,046
Arising from issuance of warrants		-	-	-	53,343	-	-	-	53,343
Transfer within reserve for ESOS exercised	29	-	-	9,659	-	-	(9,659)	-	-
Transfer within reserve for warrants exercised	29	-	-	249	(249)	-	-	-	-
At 31 December 2011		402,604	1,176	414,206	87,782	2,416	16,655	57,125	981,964
At 1 January 2012		402,604	1,176	414,206	87,782	2,416	16,655	57,125	981,964
Profit for the financial year		-	-	-	-	-	-	227,097	227,097
Other comprehensive income		-	-	-	-	3,800	-	-	3,800
Total comprehensive income for the year		-	-	-	-	3,800	-	227,097	230,897
Dividends	40	-	-	-	-	-	-	(61,777)	(61,777)
Share options vested under ESOS	37(b)	-	-	-	-	-	3,236	-	3,236
Share options vested under ESOS included in investment in subsidiaries	7	-	-	-	-	-	5,859	-	5,859
Arising from share options exercised	27 & 29	8,184	-	24,502	-	-	-	-	32,686
Arising from conversion of ICPS	28	1,176	(1,176)	-	-	-	-	-	-
Arising from conversion of warrants	27 & 29	2,045	-	5,711	-	-	-	-	7,756
Arising from bonus issue		61,811	-	(61,811)	-	-	-	-	-
Transfer within reserve for ESOS exercised	29	-	-	10,443	-	-	(10,443)	-	-
Transfer within reserve for warrants exercised	29	-	-	1,035	(1,035)	-	-	-	-
Transfer within reserve		-	-	-	-	-	(12,634)	12,634	-
At 31 December 2012		475,820	-	394,086	86,747	6,216	2,673	235,079	1,200,621

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
for the Financial Year Ended 31 December 2012

	Group		Company	
		(Restated)		
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before taxation	414,944	207,538	235,367	87,411
Adjustments for:				
Interest income	(20,090)	(22,544)	(37,124)	(36,676)
Dividend income	-	-	(222,984)	(33,405)
Interest expense	68,884	66,661	47,642	50,965
Net unrealised foreign exchange losses/(gains)	7,636	(29,035)	9,439	(28,614)
Allowance for doubtful debts				
- third parties	12	4,844	-	-
Property, plant and equipment				
- depreciation	6,519	9,104	1,072	1,149
- gain on disposal	(2,658)	(811)	(160)	(174)
- written off	474	-	-	-
Bad debts written off	737	114	525	-
Reversal of allowance for impairment of trade and other receivables	(1,988)	(7,551)	(61)	(6,735)
Gain on disposal of investment properties	-	(495)	-	-
Gain on disposal of stock properties	(2,382)	(6,090)	(156)	(1,452)
Write back in value of properties stock	(666)	-	(666)	-
Share options granted under ESOS	9,095	10,090	3,236	2,748
Fair value gain on investment properties	(210,941)	(14,260)	-	-
Share of results of associates	(16,795)	(16,750)	-	-
Share of results of joint venture	746	(1,584)	-	-
Gain on bargain purchase	(297)	-	-	-
(Reversal)/provision of foreseeable losses for				
- contract work in progress	(111)	795	-	-
Reversal of impairment loss on investment in subsidiary	-	-	(6,698)	-
Impairment loss on other investments	29	54	-	-
Finance (income)/expense from loan and receivables	(17,242)	(10,043)	840	1,796
Revaluation deficit on property	401	-	148	-
Operating profit before changes in working capital	236,307	190,037	30,420	37,013
Development expenditure	(134,270)	(103,544)	-	-
Related parties	99,136	(199,719)	(46,184)	(358,228)
Inventories	(23,292)	9,865	-	-
Receivables	(87,219)	142,664	60,187	(123,188)
Payables	87,286	25,225	(6,816)	254,619
Cash flows generated from/(used in) operations	177,948	64,528	37,607	(189,784)
Interest paid	(56,035)	(50,720)	(30,839)	(32,110)
Interest received	20,090	22,544	37,124	36,676
Taxation paid	(52,157)	(32,768)	(4,058)	(8,104)
Net cash generated from/(used in) operating activities	89,846	3,584	39,834	(193,322)

STATEMENTS OF CASH FLOWS

for the Financial Year Ended 31 December 2012

	Group		Company	
		(Restated)		
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities				
Dividend received	-	-	81,106	33,405
Purchase of property, plant and equipment	(48,394)	(15,523)	(17,435)	(7,294)
Purchase of investment properties	(127,559)	(186,409)	-	-
Acquisition of subsidiary, net of cash acquired	1,609	-	-	-
Investments in				
- subsidiaries	-	-	-	(50)
- jointly venture	(49,000)	-	-	-
Refund of share application monies from associates	11,602	20,882	-	-
Dividend received from associates	1,082	-	-	-
Withdrawal in				
- FSRA account	1,927	21	1,927	21
- redemption account	-	119	-	-
Proceeds from disposal of				
- property, plant and equipment	20,125	23,612	1,228	2,071
- stock properties	4,984	16,198	730	2,535
- investment properties	3,000	1,407	-	-
Net cash (used in)/generated from investing activities	(180,624)	(139,693)	67,556	30,688
Cash flows from financing activities				
Dividends paid	(61,777)	(60,354)	(61,777)	(60,354)
Proceeds from term loans	460,746	128,888	4,190	-
Proceeds from Islamic MTN	300,000	-	300,000	-
Proceeds from share options exercised	32,686	30,623	32,686	30,623
Proceeds from conversion of warrants	7,756	2,046	7,756	2,046
Proceeds from issuance of warrants	-	53,698	-	53,698
Payments to hire purchase payables	(14,861)	(14,491)	(372)	(317)
(Repayment of)/proceeds from bankers acceptance and revolving credits	(14,200)	6,159	(10,473)	5,139
Repayment of term loans	(167,083)	(69,073)	-	-
Repayment of Islamic MTN	-	(200,000)	-	(200,000)
Repayment of BAIDS	(40,000)	(30,000)	(40,000)	(30,000)
Repayment of SUKUK	(100,000)	(100,000)	(100,000)	(100,000)
Incidental costs of issuance of warrants	-	(355)	-	(355)
Net cash generated from/(used in) financing activities	403,267	(252,859)	132,010	(299,520)

STATEMENTS OF CASH FLOWS
for the Financial Year Ended 31 December 2012

	Group 2012 RM'000	Group (Restated) 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Net increase/(decrease) in cash and cash equivalents	312,489	(388,968)	239,400	(462,154)
Exchange differences	(17,684)	13,953	859	(549)
Cash and cash equivalents at beginning of the financial year	774,679	1,149,694	470,213	932,916
Cash and cash equivalents at end of the financial year	1,069,484	774,679	710,472	470,213

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

	Note	Group 2012 RM'000	Group (Restated) 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Deposits with licensed discount houses	15	-	3,001	-	3,001
Deposits with licensed banks	15	758,376	501,428	674,398	440,046
Cash and bank balances	15	108,239	151,529	36,530	30,136
Cash held under Housing Development Accounts	15	208,340	129,357	-	-
Bank overdrafts	20	(5,471)	(10,636)	(456)	(2,970)
		1,069,484	774,679	710,472	470,213

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 RM18,772,164 (2011: RM22,729,130) and RM6,428,881 (2011: RM14,090,283) respectively are pledged to banks to secure banking facilities.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2012

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 and principal place of business 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 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 9 April 2013.

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 2012 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 2012, 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 2012.

- Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
- FRS 124: Related Party Disclosures
- Amendment to FRS 7: Financial Instruments: Disclosure– Transfers of Financial Assets
- Amendment to FRS 7: Financial Instruments: Disclosures – Mandatory Effective Date of FRS 9 and Transition Disclosures
- Amendment to FRS 9: Financial Instruments - Mandatory Effective Date of FRS 9 and Transition Disclosures (2009)
- Amendment to FRS 9: Financial Instruments - Mandatory Effective Date of FRS 9 and Transition Disclosures (2010)
- Amendment to FRS 101: Presentation of Items of Other Comprehensive Income
- Amendment to FRS 112: Deferred Tax : Recovery of Underlying Assets

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

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

2.2 Changes in accounting policies *cont'd*

The Group has also early adopted FRS 10: Consolidate Financial Statements, FRS 11: Joint Arrangements, FRS 12: Disclosure of Interest in Other Entities, FRS 127: Separate Financial Statements (Revised) and FRS 128: Investment in Associates and Joint Ventures (Revised) which is originally effective for annual periods beginning on or after 1 January 2013.

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 12: *Disclosure of Interests in Other Entities*

FRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and unconsolidated 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 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.

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

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.

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

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

2.2 Changes in accounting policies *cont'd*

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

The Group has applied the Amendments to FRS 112 retrospectively, and the following are the effects arising from the above changes in accounting policies:

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
Consolidated statement of financial position			
31 December 2011			
Deferred tax liabilities	50,305	(14,934)	35,371
Reserves	643,528	14,934	658,462
1 January 2011			
Deferred tax liabilities	25,384	(11,369)	14,015
Reserves	480,969	11,369	492,338
Consolidated statement of comprehensive income			
31 December 2011			
Taxation	44,609	(3,565)	41,044
31 December 2010			
Taxation	47,949	(11,369)	36,580

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 meets the definition of a joint venture must be accounted for using the equity method.

The application of this new standard will impact the statement of financial position and statement of comprehensive income of the Group. This is due to the cessation of proportionate consolidation of Segi Astana Sdn. Bhd.. This investment is equity accounted for and adjusted retrospectively in the financial statements.

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

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

2.2 Changes in accounting policies *cont'd*

FRS 11: *Joint Arrangements* *cont'd*

The following are the effects arising from adoption of FRS 11:

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
Consolidated statement of financial position			
31 December 2011			
Non-current			
Concession assets	129,732	(129,732)	-
Investment in joint venture	-	1,581	1,581
Due from related parties	-	15,356	15,356
Current			
Other receivables	468,676	(60,974)	407,702
Due from related parties	1,012	187,768	188,780
Cash and cash equivalents	804,003	(14,001)	790,002
Other payables	396,443	(2)	396,441
1 January 2011			
Non-current			
Other receivables	233,966	(46)	233,920
Current			
Other receivables	272,147	(149)	271,998
Due from related parties	4,223	195	4,418
Consolidated statement of comprehensive income			
31 December 2011			
Other operating income	69,449	(1,857)	67,592
Administration expenses	74,049	(273)	73,776
Share of profits after tax of a joint venture	-	1,584	1,584

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

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

2.3 New/revised accounting standards, amendments to published standards and IC interpretations to existing standards that are applicable to the Group beginning on or after 1 January 2013

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
• FRS 13: *Fair Value Measurement*	1 January 2013
• FRS 119: *Employee Benefits (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
• Amendments to FRS 1: *First-time Adoption of Financial Reporting Standards- Government Loans*	1 January 2013
• Amendments to FRS 1: *First-time Adoption of Financial Reporting Standards- [Improvements to FRSs (2012)]*	1 January 2013
• Amendments to FRS 7: *Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities*	1 January 2013
• Amendments to FRS 10: *Consolidated Financial Statements: Transition Guidance*	1 January 2013
• Amendments to FRS 11: *Joint Arrangements: Transition Guidance*	1 January 2013
• Amendments to FRS 12: *Disclosure of Interests in Other Entities: Transition Guidance*	1 January 2013
• Amendments to FRS 101: *Presentation of Financial Statements [Improvements to FRS (2012)]*	1 January 2013
• Amendments to FRS 116: *Property, Plant and Equipment [Improvements to FRS (2012)]*	1 January 2013
• Amendments to FRS 132: *Financial Instruments : Presentation [Improvements to FRS (2012)]*	1 January 2013
• Amendments to FRS 134: *Interim Financial Reporting [Improvements to FRS (2012)]*	1 January 2013

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

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

2.3 New/revised accounting standards, amendments to published standards and IC interpretations to existing standards that are applicable to the Group beginning on or after 1 January 2013 *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:

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 will quantify the effect in conjunction with other phases, when the final standards including all phases is issued.

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 119: *Employee Benefits (2011)*

This revised accounting standard changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. It requires the recognition of changes in defined benefit obligations and changes in fair value of plan assets when they occur, and hence eliminate the 'corridor method' permitted under the previous version of FRS 119 and accelerate the recognition of past service costs. The revised FRS 119 requires all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to relect the full value of the plan deficit or surplus. This revised accounting standard requires retrospective applications. The Group is currently assessing the financial impact of adopting it.

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.

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

2.3 New/revised accounting standards, amendments to published standards and IC interpretations to existing standards that are applicable to the Group beginning on or after 1 January 2013 *cont'd*

Malaysian Financial Reporting Standards (MFRS Framework)

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

The MFRS Framework is to be applied to all entities other than private entities with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estates including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional 2 years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

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 2014. 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 2014.

The subsidiaries within the Group which do not fall within the scope of Transitioning Entities have adopted the MFRS Framework. As the Group and the Company fall within the scope of Transitioning Entities, adjustments have been made to reflect the consolidated financial statements under FRSs.

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 similiar 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 except for unrealised losses, which are not eliminated when there are indications of impairment.

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

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

2.4 Basis of consolidation *cont'd*

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.

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.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if it results in a deficit balance.

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.

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TO THE FINANCIAL STATEMENTS
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.6 Foreign currency *cont'd*

(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.

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.

NOTES
TO THE FINANCIAL STATEMENTS
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.7 Property, plant and equipment *cont'd*

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.

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
- Plant and machinery: 2 to 15 years
- Motor vehicles: 3 to 14 years
- Office equipment: 2 to 11 years
- Furniture and fittings: 5 to 11 years
- Renovations: 5 to 7 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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2012

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

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.

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 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.

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

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

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

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")).

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. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2012

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

2.11 Associates *cont'd*

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.

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

FRS 11, Joint Arrangements establishes the principles for classification and accounting for joint arrangements and supersedes FRS 131, Interests in Joint Ventures. Under FRS 11, a joint arrangement may be classified as joint venture or joint operation.

Joint operations are joint arrangements whereby the parties with joint control have rights to the assets and obligations for the liabilities relating to the arrangement whilst joint ventures are joint arrangements whereby the parties with joint control have rights to the net assets of the arrangement.

(a) Joint venture

The Group recognises its interest in joint venture using equity consolidation. The investment in the joint venture will be recognized initially at cost and adjusted for changes in the investor's share of profit or loss of the joint venture throughout the arrangement.

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 joint venture. The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in profit or loss.

In the Company's separate financial statements, its investment in joint venture 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.

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

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

2.12 Jointly controlled entities *cont'd*

(b) Joint operations

Joint operations 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 joint operations using proportionate consolidation. The Group combines its share of each of the assets, liabilities, income and expenses of the joint operations with the similar items, line by line, in its consolidated financial statements. The joint operations are proportionately consolidated from the date the Group obtains joint control until the date the Group ceases to have joint control over the joint operations.

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 joint operations.

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.

2.14 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2012

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

2.14 Financial assets *cont'd*

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

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.

(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.

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

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

2.14 Financial assets *cont'd*

(d) *Available-for-sale financial assets* *cont'd*

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.

2.15 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.

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.

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

2.15 Impairment of financial assets *cont'd*

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

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.

2.16 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.

2.17 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.

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

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

2.17 Construction contracts *cont'd*

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 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.

2.18 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.

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.

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

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

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

(ii) Property development costs *cont'd*

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.

2.19 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.

2.20 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.

2.21 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.

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

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

2.21 Financial liabilities *cont'd*

(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.

The Group and the Company have not designated any financial liabilities as at fair value through profit of 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.

2.22 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.

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

2.23 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.

2.24 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.

2.25 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.

2.26 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.

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

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

2.27 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.

2.28 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.

(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.

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

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

2.28 Employee benefits *cont'd*

(c) Share-based compensation *cont'd*

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.

2.29 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.

(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.

2.30 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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2012

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

2.30 Revenue *cont'd*

(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.

(c) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method.

(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 and the Company'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.

(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

Revenue from car park operations is recognised on accrual basis.

(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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2012

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

2.31 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2012

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

2.31 Income taxes *cont'd*

(b) Deferred tax *cont'd*

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.

2.32 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.

2.33 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.

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

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

2.34 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.

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) Arbitration proceedings

Note 49 describes a contract dispute that is currently in process between a joint operations 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.

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

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

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

(b) Arbitration proceedings *cont'd*

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 Security were not justified. Following receipt of legal opinion on the arbitration proceedings and the Dubai Civil Court's rejection on both Meydan's challenge on the validity of the arbitration tribunal and Meydan's civil claim for AED3.5 billion (or approximately RM2.94 billion) plus interest, 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 Company is minimal and the Company has a contractual right to recoup the Performance Security.

(c) 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.

(d) 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.

(e) 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).

NOTES TO THE FINANCIAL STATEMENTS
31 December 2012

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 date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) 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.

(b) Percentage-of-completion

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

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

(c) Construction and property development costs

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

(d) 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.

(e) 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.

(f) 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.

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

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	Building work in progress RM'000	Total RM'000
As at 31 December 2012							
Cost/valuation							
At 1 January 2012	34,325	83,259	302,877	54,322	42,759	-	517,542
Additions	3,402	504	27,407	3,393	6,270	11,354	52,330
Reclassification	(743)	743	-	-	-	-	-
Disposals	-	(152)	(35,985)	(5,917)	(1,306)	-	(43,360)
Written off	-	-	(1,700)	(21)	(222)	-	(1,943)
Revaluation surplus/ (deficit)	7,103	(401)	-	-	-	-	6,702
Acquisition of a new subsidiary	-	-	-	71	85	-	156
Exchange differences	(651)	(184)	(5,821)	(448)	(648)	-	(7,752)
At 31 December 2012	43,436	83,769	286,778	51,400	46,938	11,354	523,675
Accumulated depreciation and impairment							
At 1 January 2012	-	4,355	187,913	25,881	29,143	-	247,292
Depreciation charge for the financial year	-	1,276	21,727	3,912	4,802	-	31,717
Disposals	-	(152)	(20,459)	(4,172)	(1,110)	-	(25,893)
Written off	-	-	(1,358)	(18)	(93)	-	(1,469)
Acquisition of a new subsidiary	-	-	-	5	36	-	41
Exchange differences	-	(24)	(3,460)	(251)	(508)	-	(4,243)
At 31 December 2012	-	5,455	184,363	25,357	32,270	-	247,445
Net carrying amount							
At 31 December 2012	43,436	78,314	102,415	26,043	14,668	11,354	276,230

NOTES TO THE FINANCIAL STATEMENTS
31 December 2012

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

Group *cont'd*	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovations, office equipment, furniture and fittings RM'000	Total RM'000
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 2012

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 2012						
Cost/valuation						
At 1 January 2012	4,400	3,800	10,102	7,847	7,427	33,576
Additions	-	-	15,799	1,162	474	17,435
Disposals	-	(152)	(1,064)	(223)	(64)	(1,503)
Revaluation surplus/ (deficit)	3,800	(148)	-	-	-	3,652
Exchange differences	-	-	(878)	(100)	(72)	(1,050)
At 31 December 2012	8,200	3,500	23,959	8,686	7,765	52,110
Accumulated depreciation and impairment						
At 1 January 2012	-	76	2,467	2,742	4,668	9,953
Depreciation charge for the financial year	-	76	3,086	812	967	4,941
Disposals	-	(152)	(33)	(194)	(56)	(435)
Exchange differences	-	-	(159)	(19)	(18)	(196)
At 31 December 2012	-	-	5,361	3,341	5,561	14,263
Net carrying amount						
At 31 December 2012	8,200	3,500	18,598	5,345	2,204	37,847

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

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

Company *cont'd*	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovations, office equipment, furniture and fittings RM'000	Total RM'000
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 2012

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. Freehold land and buildings in Malaysia were revalued on 31 December 2012 by the Directors based on the valuation performed by Henry Butcher Malaysia (SEL.) Sdn. Bhd., member 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.

If the freehold land and buildings were measured using the cost model, the carrying amounts as at 31 December 2012 would have been as follows:

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Freehold land and buildings				
Cost	35,712	32,310	7,178	7,178
Accumulated depreciation	(2,456)	(2,214)	(1,766)	(1,662)
Net book value	33,256	30,096	5,412	5,516

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

	Freehold land		Buildings	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Group				
Valuation	45,690	35,928	84,936	84,090
Accumulated depreciation	-	-	(5,967)	(4,691)
Exchange difference	(2,254)	(1,603)	(655)	(495)
	43,436	34,325	78,314	78,904
Company				
Valuation	8,200	4,400	3,500	3,800
Accumulated depreciation	-	-	-	(76)
	8,200	4,400	3,500	3,724

NOTES TO THE FINANCIAL STATEMENTS
31 December 2012

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	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Cash	48,394	15,523	17,435	7,294
Hire purchase	3,936	7,667	-	450
	52,330	23,190	17,435	7,744

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

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Machineries	27,883	27,997	-	-
Motor vehicles	10,545	11,802	1,001	1,527
	38,428	39,799	1,001	1,527

(c) The freehold land and buildings with an aggregate carrying amount of RM77,593,419 (2011: RM78,180,000) are pledged to a financial institution for term loan obtained as disclosed in Note 22.

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 2011	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
Transferred (to)/from property development costs (Note 5(b))	(21,784)	-	1,697	(20,087)
Additions	57,565	13,657	70,898	142,120
At 31 December 2012	166,217	42,802	179,452	388,471

NOTES TO THE FINANCIAL STATEMENTS
31 December 2012

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 2012				
Cumulative property development costs				
At 1 January 2012	109,085	73,394	384,406	566,885
Acquisition of a subsidiary	-	-	8,155	8,155
Cost incurred during the financial year	-	-	315,531	315,531
Transferred from/(to) land held for property development (Note 5(a))	21,784	-	(1,697)	20,087
Reversal of completed projects	(14,756)	(6,855)	(42,319)	(63,930)
Unsold completed units transferred to inventories	-	-	(1,162)	(1,162)
At 31 December 2012	116,113	66,539	662,914	845,566
Cumulative costs recognised in income statements				
At 1 January 2012	(50,926)	(52,499)	(173,896)	(277,321)
Recognised during the financial year (Note 34)	(33,859)	(4,501)	(280,105)	(318,465)
Reversal of completed projects	14,756	6,855	42,319	63,930
At 31 December 2012	(70,029)	(50,145)	(411,682)	(531,856)
Property development costs as at 31 December 2012	46,084	16,394	251,232	313,710

NOTES TO THE FINANCIAL STATEMENTS
31 December 2012

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 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 34)	(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

Finance costs of RM3,954,260 (2011: RM2,913,538) were capitalised within development cost during the financial year as disclosed in Note 36.

The freehold and leasehold land held for property development and property development costs with an aggregate carrying amount of RM292,069,460 (2011: RM183,840,183) are pledged to a financial institution for term loan and bank guarantee facilities obtained as disclosed in Note 22.

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6. INVESTMENT PROPERTIES

	Group	
	2012	2011
	RM'000	RM'000
At fair value		
At 1 January	814,023	614,266
Additions	289,559	186,409
Disposal	(3,000)	(912)
Gain from fair value adjustment (Note 35)	210,941	14,260
At 31 December	1,311,523	814,023

Investment properties with an aggregate carrying value of RM757,622,733 (2011: RM428,042,772) are held under lease terms.

Investment properties are stated at their fair value as at 31 December 2012. 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 RM1,102,328,851 (2011: RM771,598,890) are pledged as securities for borrowings as disclosed in Note 22.

In the current financial year finance costs capitalised in investment properties of the Group amounted to RM1,866,080 (2011: RM4,753,668) as disclosed in Note 36.

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2012	2011
	RM'000	RM'000
At cost		
Unquoted shares	489,453	489,453
Arising from ESOS granted to subsidiaries' employees	27,751	21,892
	517,204	511,345
Less: Accumulated impairment losses	-	(6,698)
	517,204	504,647

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 had recognised in the income statements. The recoverable amount was based on value in use and determined at the level of the cash generating units ("CGU").

NOTES
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7. INVESTMENTS IN SUBSIDIARIES *cont'd*

Details of the subsidiaries are as follows:

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest 2012 (%)	2011 (%)
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
WCT Green Sdn. Bhd.	Malaysia	Dormant	100	100
WCT Group Sdn. Bhd.	Malaysia	Dormant	100	100
WCT Holdings Berhad (formerly known as WCT Holdings Sdn. Bhd.) (Note 7(b))	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. (2)	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 (1)	Vietnam	Development and management	70	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

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7. INVESTMENTS 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 2012 (%)	2011 (%)
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
Platinum Meadow Sdn. Bhd.	Malaysia	Property development	100	100
Iris Green Sdn. Bhd.	Malaysia	Investment holding	100	100
WCT Assets Sdn. Bhd.	Malaysia	Dormant	100	100
WCT Realty Sdn. Bhd.	Malaysia	Dormant	100	100
Pioneer Acres Sdn. Bhd.	Malaysia	Property development	100	100
WCT Acres Sdn. Bhd.	Malaysia	Property development	100	100
Jubilant Courtyard Sdn. Bhd.	Malaysia	Property development	100	100
WCT Hartanah Jaya Sdn. Bhd.	Malaysia	Property investment	100	100
WCT Management (Beijing) Limited [1]	China	Dormant	100	100
One Medini Sdn. Bhd. (Note 7(a))	Malaysia	Property development	100	70
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
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7. INVESTMENTS 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 2012 (%)	2011 (%)
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.

NOTES
TO THE FINANCIAL STATEMENTS
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7. INVESTMENTS IN SUBSIDIARIES *cont'd*

(a) Acquisition of a new subsidiary

On 28 March 2012, WCT Land Sdn. Bhd. ("WCTL") entered into a share sale agreement with Medini Land Sdn. Bhd. to acquire 1,500,000 ordinary shares of RM1.00 each at par representing the remaining 30% equity interest in One Medini Sdn. Bhd. ("OMSB"), previously a 70% owned joint venture for a total purchase consideration of RM1,825,000 in cash. The transaction was subsequently completed which resulted OMSB becomes a wholly owned subsidiary of WCTL.

The fair value of identifiable assets and liabilities of OMSB

	Fair value RM'000	Carrying amount RM'000
Property, plant and equipment	382	382
Deferred tax assets	639	639
Property development costs	27,184	21,681
Trade and other receivables	2,235	2,235
Cash and cash equivalents	11,447	11,447
	41,887	36,384
Trade and other payables	(14,829)	(14,829)
Amount due to holding company	(18,383)	(18,383)
Amount due to related companies	(51)	(51)
Deferred tax liabilities	(1,375)	-
Hire purchase creditors	(175)	(175)
	(34,813)	(33,438)
Net identifiable assets	7,074	2,946
Net identifiable assets acquired at 30%	2,122	884

The total costs acquisition of the remaining 30% amounted to RM1,825,000, whilst the total cost of business combination, inclusive of the 70% equity interest is RM6,777,000.

NOTES
TO THE FINANCIAL STATEMENTS
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7. INVESTMENTS IN SUBSIDIARIES *cont'd*

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

The effect of the acquisition on cash flows is as follows:

	RM'000
Consideration settled in cash	(1,825)
Less : Cash and cash equivalents of OMSB at 30%	3,434
Net cash inflow to the Group	1,609

	RM'000
Goodwill arising on acquisition	
Fair value of net identifiable assets acquired	2,122
Gain on bargain purchase (Note 35)	(297)
Cost of business acquired	1,825

(b) Disposal of a subsidiary

On 9 October 2012, the Company disposed of 2 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of WCT Holdings Berhad (formerly known as WCT Holdings Sdn. Bhd. ("WCTH")) to Chong Kian Fah and Loh Chee Mun with 1 ordinary share each respectively, for a total cash consideration of RM2.00 to facilitate the implementation of the proposed internal reorganisation as disclosed in Note 47(d).

NOTES
TO THE FINANCIAL STATEMENTS
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8. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2012	2011	2012	2011
	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	84,188	68,475	-	-
	153,044	137,331	520	520
Share application monies	49,605	61,207	-	-
Exchange difference	(45,332)	(39,009)	-	-
	157,317	159,529	520	520
Represented by:				
Group's share of net identifiable assets	157,317	159,529	-	-

Certain of the Group's associates issued redeemable and non-convertible debentures with a carrying amount of RM340,398,000 (2011: RM340,398,000) to repay their existing term loan facilities on 25 May 2010 and 14 September 2010. 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 accounts 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 9 instalments over 5 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 2012

8. INVESTMENTS IN ASSOCIATES *cont'd*

Details of the associates are as follows:

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest 2012 (%)	Proportion of ownership interest 2011 (%)
Khalid Abdulrahim Group WCT W.L.L.	Bahrain	Construction works	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 associates 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 associates with financial year ends 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 associates have been used.

NOTES
TO THE FINANCIAL STATEMENTS
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8. INVESTMENTS IN ASSOCIATES *cont'd*

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

	2012 RM'000	2011 RM'000
Assets and liabilities		
Current assets	369,049	390,866
Non-current assets	875,624	940,610
Current liabilities	(187,322)	(102,406)
Non-current liabilities	(345,064)	(506,869)
Net Assets	712,287	722,201

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

	2012 RM'000	2011 RM'000
Results		
Revenue	22,999	24,228
Finance income	21,856	25,427
Profit after taxation	16,795	16,750

9. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

(a) Investments in joint operations

	Company	
	2012 RM'000	2011 RM'000
Capital contribution	15,380	15,380
Impairment of capital contribution	(15,246)	(15,246)
	134	134

NOTES TO THE FINANCIAL STATEMENTS
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9. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES *cont'd*

(a) Investments in joint operations *cont'd*

Details of the incorporated/unincorporated joint operations are as follows:

Name of joint operations	Country of corporation	Principal activities	Proportion of ownership interest 2012 (%)	2011 (%)
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
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

All joint operations are unincorporated except for AES - WCT Contracting L.L.C..

NOTES
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9. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES *cont'd*

(a) Investments in joint operations *cont'd*

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

	Group 2012 RM'000	Group (Restated) 2011 RM'000
Assets and liabilities		
Current assets	87,622	2,937
Non-current assets	603,314	756,592
	690,936	759,529
Current liabilities	(497,431)	(716,382)
Non-current liabilities	(257,149)	(277,144)
	(754,580)	(993,526)
	(63,644)	(233,997)
Results		
Revenue	75,375	110,552
Expenses	(87,129)	(123,119)
Other income	290	139,239
(Loss)/profit before tax	(11,464)	126,672
Taxation	-	216
(Loss)/profit after tax	(11,464)	126,888

NOTES
TO THE FINANCIAL STATEMENTS
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9. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES *cont'd*

(b) Investments in joint venture

	Group		
		(Restated)	(Restated)
	31.12.2012	31.12.2011	01.01.2011
	RM'000	RM'000	RM'000
Unquoted shares, at cost	49,001	1	-
Group's share of post acquisition profits and reserves	834	1,580	-
	49,835	1,581	-
Represented by:			
Group's share of net identifiable assets	49,835	1,581	-

Details of the joint venture is as follows:

Name of joint venture	Country of incorporation	Principal activities	Proportion of ownership interest 2012 (%)	2011 (%)	2010 (%)
Held by WCT Land Sdn. Bhd.:					
Segi Astana Sdn. Bhd.	Malaysia	Concession holder of an integrated complex	70	70	70

The summarised assets and liabilities of the joint venture are as follows:

	Group		
	31.12.2012	31.12.2011	01.01.2011
	RM'000	RM'000	RM'000
Assets and liabilities			
Current assets	22,419	20,055	149
Non-current assets	491,417	185,330	46
	513,836	205,385	195
Current liabilities	(79,258)	(167,771)	(195)
Non-current liabilities	(362,958)	(15,356)	-
	(442,216)	(183,127)	(195)
	71,620	22,258	-

NOTES
TO THE FINANCIAL STATEMENTS
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9. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES *cont'd*

(b) Investments in joint venture *cont'd*

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

	31.12.2012 RM'000	31.12.2011 RM'000	01.01.2011 RM'000
Results			
Revenue	-	-	-
Profit after taxation	(746)	1,584	-

10. OTHER INVESTMENTS

	Note	Group 2012 RM'000	Group 2011 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		(777)	(748)
		9,721	9,750

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

(b) Unquoted Redeemable Preference Shares ("RPS") of RM1.00 each with carrying amounts of RM8,963,719 (2011: 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.

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11. INVENTORIES

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Consumable stocks, at cost	1,772	4,558	-	-
Properties held for sale, at cost	65,103	38,427	4,475	5,008
Properties held for sale, at net realisable value	6,984	8,446	6,380	5,845
	73,859	51,431	10,855	10,853

The Group and the Company wrote-back cost of properties of RM666,338 (2011: RM Nil) during the financial year.

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

12. TRADE RECEIVABLES

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Current				
Trade receivables	333,568	423,068	56,778	224,348
Retention sum on contracts receivable due within 1 year	201,099	185,130	51,153	27,941
Due from contract customers	181,305	35,863	100,771	16,765
	715,972	644,061	208,702	269,054
Less: Allowance for doubtful debts	(9,617)	(9,999)	(3,526)	(3,526)
	706,355	634,062	205,176	265,528
Non-current				
Trade receivables	15,563	14,896	-	-
Retention sum on contracts receivable due after 1 year	118,124	139,581	38,598	47,886
Due from contract customers	224,938	220,163	-	-
	358,625	374,640	38,598	47,886
Total	1,064,980	1,008,702	243,774	313,414

Details of the Group's trade receivables subject to arbitration proceedings are disclosed in Note 49.

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

12. TRADE RECEIVABLES *cont'd*

(a) Credit risk

The Group's primary exposure to credit risk arises from its trade receivables. The normal credit term ranges from 30 to 90 days (2011: 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 49. Accordingly, after taking all pertinent considerations, the Directors believe that no further allowance is required in excess of the allowance for doubtful debts already made.

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

	Gross RM'000	Individual impairment RM'000	Net RM'000
Group			
2012			
Not past due	542,635	-	542,635
Past due 0-30 days	10,894	-	10,894
Past due 31-120 days	11,873	-	11,873
Past due more than 120 days	102,952	(9,617)	93,335
	668,354	(9,617)	658,737
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

NOTES TO THE FINANCIAL STATEMENTS
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12. TRADE RECEIVABLES *cont'd*

(a) Credit risk *cont'd*

	Gross RM'000	Individual impairment RM'000	Net RM'000
Company			
2012			
Not past due	134,712	-	134,712
Past due 0-30 days	3,634	-	3,634
Past due 31-120 days	4,608	-	4,608
Past due more than 120 days	3,575	(3,526)	49
	146,529	(3,526)	143,003
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

Movement of the allowance accounts are as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
At 1 January	9,999	12,706	3,526	10,261
Charge for the year	-	4,844	-	-
Reversal of impairment losses	(382)	(7,551)	-	(6,735)
At 31 December	9,617	9,999	3,526	3,526

NOTES
TO THE FINANCIAL STATEMENTS
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12. TRADE RECEIVABLES *cont'd*

(a) Credit risk *cont'd*

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 and the Company 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	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Aggregate costs incurred to date	17,513,820	16,318,388	3,542,871	3,099,525
Add: Attributable profits	1,130,015	1,022,029	242,086	209,691
Less: Foreseeable losses	(204)	(315)	-	-
Less: Adjustments	-	(13,881)	-	-
	18,643,631	17,326,221	3,784,957	3,309,216
Less: Progress billings	(18,328,665)	(17,115,132)	(3,692,070)	(3,296,473)
	314,966	211,089	92,887	12,743
Represented by:				
Due from contract customers	406,243	256,026	100,771	16,765
Due to contract customers (Note 16)	(91,277)	(44,937)	(7,884)	(4,022)
	314,966	211,089	92,887	12,743
Contract revenue recognised during the financial year (Note 33)	959,052	1,124,717	405,240	655,631
Contract cost recognised during the financial year (Note 34)	828,071	951,720	381,106	620,221

NOTES
TO THE FINANCIAL STATEMENTS
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12. 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	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Wages and salaries				
- direct	65,140	66,373	19,805	13,918
- seconded	6,297	22,106	-	-
Staff costs	14,157	8,861	3,748	1,506
Hiring of machineries	34,130	35,477	1,841	170
Rent of premises	1,336	980	-	-
Depreciation of property, plant and equipment	25,198	31,114	3,869	2,716

13. OTHER RECEIVABLES

	Group			Company	
		(Restated)	(Restated)		
	31.12.2012	31.12.2011	01.01.2011	31.12.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000	RM'000
Current					
Sundry receivables	57,280	63,838	72,826	16,647	27,249
Deposits	66,087	20,225	12,242	1,508	1,536
Advances to sub-contractors	149,648	141,958	114,564	59,267	46,393
Prepayments	1,748	4,470	4,385	563	622
Advances to partners of joint operations	-	4,401	2,732	-	-
Advance profit distribution to non-controlling interest of a foreign subsidiary	-	178,418	73,597	-	-
	274,763	413,310	280,346	77,985	75,800
Less: Allowance for doubtful debts	(3,984)	(5,608)	(8,348)	(3,241)	(3,332)
	270,779	407,702	271,998	74,744	72,468

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13. OTHER RECEIVABLES *cont'd*

	Group			Company	
		(Restated)	(Restated)		
	31.12.2012	31.12.2011	01.01.2011	31.12.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current					
Deposits	6,765	11,320	4,883	6,765	6,462
Sundry receivables	13,438	13,981	13,403	-	-
Advances to sub-contractors	56,724	55,520	51,708	-	-
Performance security deposit (Note 49)	184,682	180,763	163,926	-	-
	261,609	261,584	233,920	6,765	6,462
	532,388	669,286	505,918	81,509	78,930

(a) Credit risk

Movement of the allowance accounts are as follows:

	Group			Company	
	31.12.2012	31.12.2011	01.01.2011	31.12.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January	5,608	8,348	7,870	3,332	3,489
Charge for the year	12	-	478	-	-
Written off	(30)	(2,740)	-	(30)	(157)
Reversal of impairment losses	(1,606)	-	-	(61)	-
At 31 December	3,984	5,608	8,348	3,241	3,332

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

The Group's and the Company's outstanding advances to sub-contractors in excess of 1 year as at 31 December 2012 amounted to RM51,067,763 (2011: RM17,232,241) and RM36,844,063 (2011: Nil) respectively. The Directors, having considered all available information, are of the opinion that these debts are collectible in full and require no further allowance 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 in prior year which has been set-off against dividends declared during the financial year.

Details of other receivables of the Group subject to arbitration proceedings are disclosed in Note 49.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2012

14. DUE FROM/(TO) RELATED PARTIES

	Group			Company	
		(Restated)	(Restated)		
	31.12.2012	31.12.2011	01.01.2011	31.12.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000	RM'000
Due from related parties:					
Current					
Subsidiaries					
- trade accounts	-	-	-	2	74,423
- current accounts	-	-	-	641,928	493,620
Associates	1,003	1,012	4,223	-	-
Joint venture					
- trade accounts	20,000	162,021	-	-	-
- current accounts	54,736	25,747	195	408,248	420,693
	75,739	188,780	4,418	1,050,178	988,736
Non-current					
Joint venture					
- trade accounts	23,731	15,356	-	-	-
	99,470	204,136	4,418	1,050,178	988,736
Due to related parties:					
Current					
Subsidiaries					
- trade accounts	-	-	-	(21,547)	-
- current accounts	-	-	-	(37,748)	(164,951)
Joint operations	-	-	-	(7,001)	-
	-	-	-	(66,296)	(164,951)
Non-current					
Subsidiaries					
- trade accounts	-	-	-	(2,918)	(30,973)
	-	-	-	(69,214)	(195,924)

Further details on related party transactions and information on financial risks are disclosed in Notes 41 and 45 respectively.

Amounts due from related parties are unsecured, bore interest at 5.053% (2011: 5.013%) per annum during the financial year, payable on demand and are to be settled in cash.

NOTES
TO THE FINANCIAL STATEMENTS
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15. CASH AND CASH EQUIVALENTS

		Group			Company	
			(Restated)			
		31.12.2012	31.12.2011	01.01.2011	31.12.2012	31.12.2011
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
Deposits:						
With licensed discount houses		-	3,001	2,918	-	3,001
With licensed banks	(a)	758,376	501,428	932,664	674,398	440,046
With a licensed bank held under Finance Service Reserve Account	(b)	1,990	3,917	3,938	1,990	3,917
With licensed banks (restricted)	(c)	770	770	770	-	-
		761,136	509,116	940,290	676,388	446,964
Cash and bank balances		108,239	151,529	159,871	36,530	30,136
Cash held under Housing Development Accounts	(d)	208,340	129,357	62,127	-	-
Redemption Account		-	-	119	-	-
		316,579	280,886	222,117	36,530	30,136
Total cash and cash equivalents		1,077,715	790,002	1,162,407	712,918	477,100

(a) Deposits with licensed banks of the Group and of the Company amounting to RM18,772,164 (2011: RM22,729,130) and RM6,428,881 (2011: RM14,090,283) respectively are pledged to secure banking facilities.

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

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

(d) 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 cash equivalents are disclosed in Note 45.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2012

16. TRADE PAYABLES

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Current				
Trade payables	423,162	381,681	26,870	9,730
Retention sum payable within 1 year	151,823	135,728	1,471	1,864
Due to contract customers (Note 12(b))	91,277	44,937	7,884	4,022
	666,262	562,346	36,225	15,616
Non-current				
Trade payables	4,154	4,066	-	-
Retention sum payable after 1 year	62,464	85,666	6,848	3,834
	66,618	89,732	6,848	3,834
Total	732,880	652,078	43,073	19,450

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2011: 30 to 90 days).

Details of trade payables subject to arbitration proceedings are disclosed in Note 49.

17. OTHER PAYABLES

	Group			Company	
		(Restated)			
	31.12.2012	31.12.2011	01.01.2011	31.12.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000	RM'000
Current					
Sundry payables (a)	193,433	37,535	27,489	333	3,049
Accruals	36,293	49,055	61,129	6,063	5,260
Provision for foreseeable losses	40,202	44,704	44,704	39,083	35,767
Advances received from customers on contracts	51,136	195,708	24,488	27,190	166,476
Advances from a non-controlling interests of a subsidiary	41,509	19,056	19,209	-	-
Advances from shareholders of joint venture	32,209	35,135	37,865	-	-
Others	22,318	15,248	13,469	4,575	365
	417,100	396,441	228,353	77,244	210,917

NOTES
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31 December 2012

17. OTHER PAYABLES *cont'd*

	Group			Company	
		(Restated)			
	31.12.2012	31.12.2011	01.01.2011	31.12.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current					
Sundry payables	230,643	190,896	174,710	-	-
Rental deposits	12,721	4,722	-	-	-
Advances received from customers on contracts	244,929	140,491	51,831	188,205	84,971
	488,293	336,109	226,541	188,205	84,971
	905,393	732,550	454,894	265,449	295,888

All amounts due under other payables are unsecured, non-interest bearing and are repayable on demand except for those classified as non-current. 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 49.

(a) Included in sundry payables is an amount of RM162,000,000, being the amount payable to a vendor in respect of an acquisition of a piece of freehold land at Johor Bahru, Malaysia measuring at approximately 1,906,084 square feet.

The amount was fully paid in January 2013.

18. BORROWINGS

		Group		Company	
		2012	2011	2012	2011
	Note	RM'000	RM'000	RM'000	RM'000
Current					
Secured:					
Hire purchase payables	19	4,172	13,574	212	372
Revolving credits	21	70,000	70,000	-	-
Term loans	22	348,190	208,149	4,190	-
		422,362	291,723	4,402	372

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

18. BORROWINGS *cont'd*

		Group		Company	
		2012	2011	2012	2011
	Note	RM'000	RM'000	RM'000	RM'000
Current					
Unsecured:					
Bank overdrafts	20	5,471	10,636	456	2,970
Bankers' acceptances	21	10,195	24,395	-	10,473
Bai Bithaman Ajil Islamic Debt Securities ("BAIDS")	23	-	40,000	-	40,000
Islamic Serial Redeemable Bonds ("SUKUK")	24	99,288	99,305	99,288	99,305
Islamic Medium Term Notes ("IMTN")	25	100,000	-	100,000	-
Serial Fixed Rate Bonds ("Bonds")	26	293,399	-	293,399	-
		508,353	174,336	493,143	152,748
		930,715	466,059	497,545	153,120
Non-current					
Secured:					
Hire purchase payables	19	3,220	4,690	54	266
Term loans	22	311,985	158,363	-	-
		315,205	163,053	54	266
Unsecured:					
Islamic Serial Redeemable Bonds ("SUKUK")	24	-	96,194	-	96,194
Islamic Medium Term Notes ("IMTN")	25	300,000	100,000	300,000	100,000
Serial Fixed Rate Bonds ("Bonds")	26	278,108	558,493	278,108	558,493
		578,108	754,687	578,108	754,687
		893,313	917,740	578,162	754,953
Total borrowings					
Hire purchase payables	19	7,392	18,264	266	638
Bank overdrafts	20	5,471	10,636	456	2,970
Bankers' acceptances	21	10,195	24,395	-	10,473
Revolving credits	21	70,000	70,000	-	-
Term loans	22	660,175	366,512	4,190	-
Bai Bithaman Ajil Islamic Debt Securities ("BAIDS")	23	-	40,000	-	40,000
Islamic Serial Redeemable Bonds ("SUKUK")	24	99,288	195,499	99,288	195,499
Islamic Medium Term Notes ("IMTN")	25	400,000	100,000	400,000	100,000
Serial Fixed Rate Bonds ("Bonds")	26	571,507	558,493	571,507	558,493
		1,824,028	1,383,799	1,075,707	908,073

Other information on the borrowings are disclosed in Note 45.

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

19. HIRE PURCHASE PAYABLES

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Future minimum lease payments:				
Not later than 1 year	4,455	14,178	221	399
Later than 1 year and not later than 2 years	3,290	3,033	55	221
Later than 2 years and not later than 5 years	7	1,868	-	55
Total future minimum lease payments	7,752	19,079	276	675
Less: Future finance charges	(360)	(815)	(10)	(37)
Present value of finance lease liabilities	7,392	18,264	266	638
Analysis of present value of hire purchase payables:				
Not later than 1 year	4,172	13,574	212	372
Later than 1 year and not later than 2 years	3,213	2,860	54	212
Later than 2 years and not later than 5 years	7	1,830	-	54
	7,392	18,264	266	638
Less: Amount due within 12 months	(4,172)	(13,574)	(212)	(372)
Amount due after 12 months	3,220	4,690	54	266

20. BANK OVERDRAFTS

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Unsecured	5,471	10,636	456	2,970

The unsecured bank overdrafts of the subsidiaries are guaranteed by the Company.

NOTES TO THE FINANCIAL STATEMENTS
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21. REVOLVING CREDITS AND BANKERS' ACCEPTANCES

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Secured				
Revolving credits	70,000	70,000	-	-
Unsecured				
Bankers' acceptances	10,195	24,395	-	10,473
	80,195	94,395	-	10,473

The revolving credits are secured on the same terms as Term loan I as mentioned in Note 22 and bear interest of 1% (2011: 1%) per annum over the bank's cost of funds.

22. TERM LOANS

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Secured				
Term loan I	300,000	117,083	-	-
Term loan II	320,000	199,429	-	-
Term loan III	-	50,000	-	-
Term loan IV	35,985	-	-	-
Term loan V	4,190	-	4,190	-
	660,175	366,512	4,190	-

The term loans are repayable as follows:

	Group		Company	
	2012	2011	2012	2011
Not later than 1 year	348,190	208,149	4,190	-
Later than 1 year and not later than 2 years	35,985	9,454	-	-
Later than 2 years and not later than 5 years	276,000	39,517	-	-
Later than 5 years	-	109,392	-	-
	660,175	366,512	4,190	-
Less: Amount due within 12 months	(348,190)	(208,149)	(4,190)	-
Amount due after 12 months	311,985	158,363	-	-

NOTES
TO THE FINANCIAL STATEMENTS
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22. TERM LOANS *cont'd*

Term loan I together with the revolving credits as mentioned in Note 21 are secured by way of a fixed charge over the freehold lands owned by two subsidiaries, a debenture of a subsidiary and third parties debenture on the investment property owned by a subsidiary (the "Mall") as well as the Hotel owned by another subsidiary (the "Hotel") as disclosed in Notes 4 and 6. The term loan I is also secured by the legal assignment of all the rights, title and benefits of the lease agreement of the Mall, the legal assignment of the lease payment received account and operating account of the Mall and the Hotel, the car park collection of the Mall, and the legal assignment of insurances of the Mall and Hotel. The subsidiaries must maintain a combined minimum security cover ratio of 1.25 times of the market value of the freehold lands of the Mall and the Hotel. The term loan I is repayable in monthly instalments over 5 years based on scheduled repayment commencing from January 2013. This loan bears interest of 4.98% (2011: 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% (2011: 0.75%) per annum over the bank's cost of funds. The remaining outstanding amount of Term loan II is payable upon issuance of unrated MTN.

Term loan III is secured by way of legal assignment over the hotel. The loan bore interest of 5.75% per annum in prior year.

Term loan IV is secured by way of a fixed charge over land held for development. The term loan IV is repayable by redemption of the individual unit or repayment schedule whichever is earlier. The first instalment shall be commenced from September 2013. This loan bears interest of 4.30% per annum.

Term loan V is short term loan and unsecured with interest of 5.50% per annum. The term loan V is due for payment on 25 June 2013.

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

	Group/Company	
	2012	2011
	RM'000	RM'000
The BAIDS were repayable as follows:		
Not later than 1 year	-	40,000

The BAIDS were 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 were 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 was 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 were redeemable every 6 months commencing 6 months after the issue date. The face value of the Secondary Bonds were computed based on the profit rates specified for each series of the Primary Bonds, i.e. from 6.30% to 6.90% per annum.

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23. BAI BITHAMAN AJIL ISLAMIC DEBT SECURITIES ("BAIDS") *cont'd*

The terms of the BAIDS contained 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 15(a); and

(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 BAIDS were fully paid during the financial year.

24. ISLAMIC SERIAL REDEEMABLE BONDS ("SUKUK")

The Islamic Serial Redeemable Bonds ("SUKUK") are constituted by a Trust Deed dated 12 March 2008 between the Company and the Trustee for the holders of the SUKUK.

The Company issued RM300 million of SUKUK on 26 March 2008 under the Islamic financial principles of Musyarakah in 3 series and have tenures of 3, 4 and 5 years with 139,887,452 rights to allotment of warrants 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 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 RM0.25 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.

25. ISLAMIC MEDIUM TERM NOTES ("IMTN")

	Group/Company	
	2012	2011
	RM'000	RM'000
IMTN I	300,000	100,000
IMTN II	100,000	-
	400,000	100,000

The IMTNs are repayable as follows:

Not later than 1 year	100,000	-
Later than 1 year and not later than 2 years	300,000	100,000
	400,000	100,000

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TO THE FINANCIAL STATEMENTS
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25. ISLAMIC MEDIUM TERM NOTES ("IMTN") *cont'd*

IMTN I

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 principles 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.

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%.

On 14 June 2012, the Company drawn down RM200 million of the IMTN under the IMTN Programme with the tenure of 2 years from issue date. The maturity date of the IMTN is 13 June 2014 and yield to maturity at issuance date was 4.05%.

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.

IMTN II

The IMTN are constituted by a Trust Deed dated 11 August 2005.

The issuance of the islamic IMTNs under the Syariah principles of Murabahah and/or Ijarah of which the outstanding CPs and Primary IMTNs shall not exceed at any time the sum of RM100 million.

The IMTNs have maturity days for a period of 1 year or more and up to 7 years.

The IMTNs, profit is payable semi-annually in arrears and shall commence 6 months from the date of issue of the IMTN.

The terms of the IMTN contain various covenants, including the following:

(i) The Company must maintain a Syariah-Compliant Finance Service Reserve Account ("FSRA") at any time during the tenure of the IMTN which is equivalent to the minimum required balance as follows:

   (a) in respect of IMTN which the profit payment due in the next 6 months commencing from the issuance date; and

   (b) an amount equivalent to 50% and 100% of the principal amount due not later than 3 months and 1 month respectively from the respective due dates.

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

IMTN II *cont'd*

On 19 July 2012, the Company drawn down RM100 million of the IMTN under the IMTN Programme with the tenure of 1.5 years from issue date. The maturity date of the IMTN is 17 January 2014 and yield to maturity at issuance date was 3.98%.

26. SERIAL FIXED RATE BONDS ("BONDS")

	Group/Company	
	2012	**2011**
	RM'000	**RM'000**
The Bonds are repayable as follows:		
Not later than 1 year	293,399	-
Later than 1 year and not later than 2 years	-	293,878
Later than 2 years and not later than 5 years	278,108	264,615
	571,507	558,493
Less: Amount due within 12 months	(293,399)	-
Amount due after 12 months	278,108	558,493

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.

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TO THE FINANCIAL STATEMENTS
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27. SHARE CAPITAL

		Group/Company			
		Number of ordinary shares of RM0.50 each		Amount	
		2012	2011	2012	2011
		'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		805,208	786,942	402,604	393,471
Share options exercised	(Note 27(b))	15,290	15,735	7,645	7,867
Share options exercised	(Note 27(c))	1,078	-	539	-
Conversion of Warrants 2008/2013	(Note 27(d))	3,892	22	1,946	11
Conversion of Warrants 2011/2016	(Note 27(e))	197	723	99	362
Conversion of ICPS	(Note 28)	2,353	1,786	1,176	893
Bonus issue	(Note 29)	123,622	-	61,811	-
At 31 December		951,640	805,208	475,820	402,604

(a) Issue of shares

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM402,604,102 to RM475,820,236, comprising 951,640,473 ordinary shares of RM0.50 each, by way of:

(i) issuance of 15,290,438 new ordinary shares of RM0.50 each pursuant to the exercise of the ESOS 2002/2012 at the exercise prices ranging from RM0.61 to RM2.44 per ordinary share;

(ii) issuance of 2,352,912 new ordinary shares of RM0.50 each pursuant to the conversion of 11,764,555 ICPS of RM0.10 which was satisfied by surrendering 5 ICPS for each new ordinary share;

(iii) issuance of 20,511 new 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 3,872,100 new ordinary shares of RM0.50 each pursuant to the conversion of Warrants 2008/2013 at an exercise price of RM1.85 per ordinary share for cash;

(v) issuance of 196,346 new 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;

(vi) issuance of 1,078,000 new ordinary shares of RM0.50 each pursuant to the exercise of the ESOS 2012/2022 at the exercise price of RM2.201 per ordinary share; and

NOTES TO THE FINANCIAL STATEMENTS
31 December 2012

27. SHARE CAPITAL *cont'd*

(a) Issue of shares *cont'd*

(vii) allotment of 123,621,962 new ordinary shares of RM0.50 each on 12 December 2012 credited as fully paid pursuant to the bonus issue on the basis of 3 new ordinary shares for every 20 existing ordinary shares held in the Company ("Bonus Issue of Shares").

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

(b) Employee share options scheme 2002/2012 ("ESOS 2002/2012")

The Company's ESOS 2002/2012 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 2002/2012 was approved by the shareholders at the Extraordinary General Meeting held on 19 October 2005.

The salient terms of the ESOS 2002/2012 are as follows:

(i) Subject to the ESOS By-Laws, the maximum number of options granted under the ESOS 2002/2012 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 2002/2012 if, as at the date of the ESOS 2002/2012 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 fulfilment 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 2002/2012 shall be allocated, in aggregate, to Directors and Senior Management of the Group.

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

27. SHARE CAPITAL *cont'd*

(b) Employee share options scheme 2002/2012 ("ESOS 2002/2012") *cont'd*

The salient terms of the ESOS 2002/2012 are as follows: *cont'd*

(iv) Not more than 10% of the Options available under the ESOS 2002/2012 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 100 shares of the Company but not more than the maximum allowable allotment as set out in the ESOS By-Laws.

(vii) Subject to the ESOS By-Laws, the Options Committee may with its power under the ESOS By-Laws, at any time and from time to time, before or after an ESOS Option is granted, limit the exercise of the ESOS Option to a maximum number of new shares of the Company and/or such percentage of the total new shares of the Company comprised in the ESOS Option during such periods within the ESOS Option Period and impose any other terms and/or conditions deemed appropriate by the Options Committee in its sole discretion including amending/varying any terms and conditions imposed earlier.

(viii) An ESOS 2002/2012 offer may be made upon such terms and conditions as the Options Committee may decide from time to time. Each ESOS 2002/2012 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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2012

27. SHARE CAPITAL *cont'd*

(b) Employee share options scheme 2002/2012 ("ESOS 2002/2012") *cont'd*

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

2012		Number of Share Options						
		Outstanding at 1 January	Movement During the Year Granted	(Exercised)	(Forfeited)	(Expired)	Outstanding at 31 December	Exercisable at 31 December
		'000	'000	'000	'000	'000	'000	'000
Grant date	Exercise Price (1) RM							
12 April 2002	1.04	57	-	(34)	(4)	(19)	-	-
30 June 2004	1.05	21	-	(15)	-	(6)	-	-
13 June 2005	0.61	73	-	(66)	(3)	(4)	-	-
6 March 2006	0.75	224	-	(223)	-	(1)	-	-
6 March 2007	1.45	377	-	(325)	-	(52)	-	-
11 June 2007	2.06	-	-	-	-	-	-	-
17 March 2008	2.44	4,182	-	(749)	-	(3,433)	-	-
5 March 2010	2.00	15,533	-	(13,878)	(23)	(1,632)	-	-
10 March 2011	2.73	10,763	-	-	(203)	(10,560)	-	-
		31,230	-	(15,290)	(233)	(15,707)	-	-
WAEP (RM)		2.29	-	1.98	2.60	2.58	-	-

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

27. SHARE CAPITAL *cont'd*

(b) Employee share options scheme 2002/2012 ("ESOS 2002/2012") *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						
			Movement During the Year					
2011		**Outstanding at 1 January**	**Granted**	**(Exercised)**	**(Forfeited)**	**(Expired)**	**Outstanding at 31 December**	**Exercisable at 31 December**
		'000	**'000**	**'000**	**'000**	**'000**	**'000**	**'000**
Grant date	**Exercise Price [1]**							
	RM							
12 April 2002	1.04	534	-	(477)	-	-	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	(15,735)	(2,496)	-	31,230	31,230
WAEP (RM)		2.37	2.73	1.95	2.38	-	2.29	2.29

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

NOTES TO THE FINANCIAL STATEMENTS
31 December 2012

27. SHARE CAPITAL *cont'd*

(b) Employee share options scheme 2002/2012 ("ESOS 2002/2012") *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

At the end of previous financial year, there were 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 27(a)(i) options exercised during the financial year resulted in the issuance of 15,290,438 ordinary shares of RM0.50 each (2011: 15,734,960 ordinary shares of RM0.50 each) at an average share price of RM1.98 (2011: RM1.95). The related weighted average share price at the date of exercise was RM2.63 (2011: RM3.11).

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

27. SHARE CAPITAL *cont'd*

(b) Employee share options scheme 2002/2012 ("ESOS 2002/2012") *cont'd*

(iii) Fair value of share options granted during the previous financial year

The fair value of share options granted during the previous 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 (year)	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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2012

27. SHARE CAPITAL *cont'd*

(c) Employee share options scheme 2012/2022 ("ESOS 2012/2022")

The Company's ESOS 2012/2022 is governed by the By-Laws which was approved by the shareholders at the Extraordinary General Meeting held on 16 May 2012.

The salient terms of the ESOS 2012/2022 are as follows:

(i) Subject to the ESOS By-Laws, the maximum number of options granted under the ESOS 2012/2022 shall not exceed 10% 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 2 July 2012 ("ESOS Option Period").

(ii) Any employee and Directors of the Group shall be eligible to participate in the ESOS 2012/2022 if, as at the date of the ESOS 2012/2022 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 (c) (ii) (cc) above is not met.

Subject to the fulfilment 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 2012/2022 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 2012/2022 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 100 shares of the Company but not more than the maximum allowable allotment as set out in the ESOS By-Laws.

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

27. SHARE CAPITAL *cont'd*

(c) Employee share options scheme 2012/2022 ("ESOS 2012/2022") *cont'd*

The salient terms of the ESOS 2012/2022 are as follows: *cont'd*

(vii) Subject to the ESOS By-Laws, the Options Committee may with its power under the ESOS By-Laws, at any time and from time to time, before or after an ESOS Option is granted, limit the exercise of the ESOS Option to a maximum number of new shares of the Company and/or such percentage of the total new shares of the Company comprised in the ESOS Option during such periods within the ESOS Option Period and impose any other terms and/or conditions deemed appropriate by the Options Committee in its sole discretion including amending/varying any terms and conditions imposed earlier.

(viii) An ESOS 2012/2022 offer may be made upon such terms and conditions as the Options Committee may decide from time to time. Each ESOS 2012/2022 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	Movement During the Year Granted	(Exercised)	* Adjustment	Outstanding at 31 December	Exercisable at 31 December
2012		'000	'000	'000	'000	'000	'000
Grant date	* Exercise Price RM						
2 July 2012	1.63	-	6,920	(1,078)	876	6,718	6,718
WAEP (RM)		-	2.201	2.201	(0.0571)	1.63	1.63

* *Adjustments were made to the outstanding unexercised options on 10 December 2012 following the bonus issue of 3 new ordinary shares for every 20 existing ordinary shares of RM0.50 each in the Company.*

NOTES TO THE FINANCIAL STATEMENTS
31 December 2012

27. SHARE CAPITAL *cont'd*

(c) Employee share options scheme 2012/2022 ("ESOS 2012/2022") *cont'd*

(i) Details of share options outstanding at the end of the financial year:

	WAEP RM	Exercise period
2012		
Date granted		
2 July 2012	1.63	02.07.2012 - 17.05.2022

At 31 December 2012, there are 6,718,300 options exercisable at the WAEP of RM1.63 each. The exercise and vesting period is from 2 July 2012 to 17 May 2022.

(ii) Share options exercised during the financial year

As disclosed in Note 27(a)(vi) options exercised during the financial year resulted in the issuance of 1,078,000 ordinary shares of RM0.50 each at an average share price of RM2.201. The related weighted average share price at the date of exercise was RM2.71.

(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:

	2 July 2012
Fair value of share options at grant date (RM)	0.54
Weighted average share price (RM)	2.41
Weighted average exercise price (RM)	2.201
Expected volatility (%)	28.03%
Expected life (year)	1.00
Risk free rate (%)	3.42%
Expected dividend yield (%)	3.87%

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.

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

27. SHARE CAPITAL *cont'd*

(d) 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 2011	139,372
Converted to ordinary shares	(22)
At 31 December 2011	139,350
Converted to ordinary shares	(3,892)
At 31 December 2012	135,458

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 of warrants was 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) Further adjustment were made to the exercise price of the outstanding Warrants 2008/2013 from RM2.50 to RM1.85 as a result of the Bonus Issue of Shares and the Bonus Issue of Warrants in accordance with the provisions of the Deed Poll dated 12 March 2008 constituting the Warrants 2008/2013 to ensure that the status of the holders of Warrants 2008/2013 is not prejudiced as a result of the Bonus Issue of Shares and the Bonus Issue of Warrants;

(iv) The exercise price is RM1.85 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;

(v) 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;

(vi) 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;

NOTES TO THE FINANCIAL STATEMENTS
31 December 2012

27. SHARE CAPITAL *cont'd*

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

The salient terms of the warrants are as follows: *cont'd*

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

(viii) 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

(ix) 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.

(e) 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
Converted to ordinary shares	(197)
At 31 December 2012	157,015

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 and each warrant entitles the registered holder to subscribe for 1 new ordinary share of the Company during the exercise period;

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

27. SHARE CAPITAL *cont'd*

(e) Warrants 2011/2016 *cont'd*

The salient terms of the warrants are as follows: *cont'd*

(iii) Adjustment was made to the exercise price of the outstanding Warrants 2011/2016 from RM2.75 to RM2.04 as a result of the Bonus Issue of Shares and the Bonus Issue of Warrants in accordance with the provisions of the Deed Poll dated 17 December 2010 (as amended and varied via the supplemental Deed Poll dated 30 August 2012), to ensure that the status of the holders of Warrants 2011/2016 is not prejudiced as a result of the Bonus Issue of Shares and the Bonus Issue of Warrants;

(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 17 December 2010;

(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 2012

27. SHARE CAPITAL *cont'd*

(f) Warrants 2012/2017

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 2012	-
Allotted during the year	164,829
Converted to ordinary shares	-
At 31 December 2012	164,829

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 RM2.25 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 27 November 2012;

(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 2012

28. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

	Group/Company			
	Number of preference shares of RM0.10 each		Amount	
	2012	2011	2012	2011
	'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	11,764	20,692	1,176	2,069
Converted to ordinary shares (Note 27)	(11,764)	(8,928)	(1,176)	(893)
At 31 December	-	11,764	-	1,176

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 were issued and listed on Bursa Securities on 9 August 2007.

The main features of the ICPS are as follows:

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

(b) ICPS had a tenure of 5 years commencing from and inclusive of the date of issue;

(c) ICPS carried 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 was at the option of the Company;

(d) ICPS dividend was payable on the market day immediately before the ICPS anniversary date and if such anniversary date falls on a date which was not a market day, then the next market day. Market day was defined as any day on which Bursa Securities are open for trading of securities;

(e) The registered holder of the ICPS had 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 has satisfied by surrendering 10 ICPS for each new ordinary shares of the Company;

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

The main features of the ICPS are as follows: *cont'd*

(g) The ICPS were unsecured and ranked *pari passu* amongst all ICPS in all respects and without discrimination or preference. The ICPS ranked in priority to the ordinary shares of the Company in the event of the winding-up/liquidation of the Company of which each ICPS confers upon its holders upon a winding-up/liquidation:

(i) the right to payment in cash of the capital then paid-up on it, in priority to any other class of shares in the capital of the Company; and

(ii) the right (in priority to payment of any dividend to any other class of shares in the capital of the Company) to any declared and unpaid dividend in respect of the ICPS prior to the issue of a court order to wind up the Company.

(h) ICPS carried 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 was non-redeemable and unless previously converted, all ICPS was to 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 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 was satisfied by surrendering 5 ICPS for each new ordinary share of the Company.

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29. SHARE PREMIUM

	Group/Company	
	2012	2011
	RM'000	RM'000
Non-distributable		
At 1 January	414,206	379,869
Arising from share options exercised	24,502	22,756
Arising from conversion of warrants	5,711	1,673
Transfer within reserve arising from ESOS exercised	10,443	9,659
Transfer within reserve arising from warrants exercised	1,035	249
Bonus issue (Note 27)	(61,811)	-
At 31 December	394,086	414,206

30. RESERVES

		Group			Company	
			(Restated)			
		31.12.2012	31.12.2011	01.01.2011	31.12.2012	31.12.2011
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
Non-distributable						
Revaluation reserve	(a)	27,756	20,653	7,935	6,216	2,416
Other reserve		449	476	476	-	-
Capital reserve	(b)	2,846	2,846	2,846	-	-
Equity compensation reserve	(c)	2,673	16,655	16,224	2,673	16,655
Exchange reserve	(d)	(110,020)	(90,305)	(85,730)	-	-
Warrants reserve	(e)	86,747	87,782	34,688	86,747	87,782
		10,451	38,107	(23,561)	95,636	106,853
Distributable						
General reserve	(f)	1,438	1,438	2,616	-	-
Retained profits	(g)	928,662	618,917	513,283	235,079	57,125
		930,100	620,355	515,899	235,079	57,125
		940,551	658,462	492,338	330,715	163,978

NOTES TO THE FINANCIAL STATEMENTS
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30. RESERVES *cont'd*

The nature and purpose of each category of reserves are as follows:

(a) Revaluation reserve

This revaluation reserve is used to record changes in fair values of certain freehold lands and buildings.

(b) Capital reserve

Capital reserve of the Group arose from bonus issue of shares by 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.

(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

NOTES TO THE FINANCIAL STATEMENTS
31 December 2012

30. RESERVES *cont'd*

The nature and purpose of each category of reserves are as follows: *cont'd*

(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.

The Company has elected 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.

31. NON-CONTROLLING INTEREST

	Group	
	2012	**2011**
	RM'000	**RM'000**
At 1 January	282,586	275,150
Share of (loss)/profit for the financial year	(13,158)	506
Revaluation decrease of freehold land and building	-	(875)
Dividends paid	(204,664)	-
Exchange differences	(7,806)	7,805
At 31 December	56,958	282,586

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32. DEFERRED TAXATION

	Group			Company	
	31.12.2012 RM'000	31.12.2011 RM'000	01.01.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
At 1 January	11,747	6,796	(10,059)	(389)	365
Recognised in the income statements (Note 38)	2,925	1,460	16,855	(470)	(754)
Acquisition of a new subsidiary	(192)	-	-	-	-
Recognised in equity	1,375	3,491	-	-	-
Exchange differences	5	-	-	5	-
At 31 December	15,860	11,747	6,796	(854)	(389)
Presented after appropriate offsetting as follows:					
Deferred tax assets	(25,667)	(23,624)	(7,219)	(854)	(389)
Deferred tax liabilities	41,527	35,371	14,015	-	-
	15,860	11,747	6,796	(854)	(389)

NOTES
TO THE FINANCIAL STATEMENTS
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32. 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)	(1,997)	15,937	12,524
Recognised in the income statements	1,112	330	8,640	10,082
At 31 December 2010	(304)	(1,667)	24,577	22,606
Recognised in the income statements	1,138	(300)	3,135	3,973
Recognised in equity	-	3,491	-	3,491
At 31 December 2011	834	1,524	27,712	30,070
Recognised in the income statements	(1,160)	(30)	3,690	2,500
Acquisition of a new subsidiary	-	-	(22)	(22)
Recognised in equity	1,375	-	-	1,375
Exchange differences	-	-	1	1
At 31 December 2012	1,049	1,494	31,381	33,924

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TO THE FINANCIAL STATEMENTS
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32. DEFERRED TAXATION *cont'd*

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 statements	1,183	1,899	3,691	6,773
At 31 December 2010	(1,077)	(2,723)	(12,010)	(15,810)
Recognised in the income statements	999	(1,745)	(1,767)	(2,513)
At 31 December 2011	(78)	(4,468)	(13,777)	(18,323)
Recognised in the income statements	69	3,080	(2,724)	425
Acquisition of a new subsidiary	-	(1)	(169)	(170)
Exchange differences	-	4	-	4
At 31 December 2012	(9)	(1,385)	(16,670)	(18,064)

Deferred tax liabilities of the Company:

	Accelerated capital allowances RM'000
At 1 January 2011	365
Recognised in the income statements	(134)
At 31 December 2011	231
Recognised in the income statements	(53)
Exchange differences	1
At 31 December 2012	179

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TO THE FINANCIAL STATEMENTS
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32. DEFERRED TAXATION *cont'd*

Deferred tax assets of the Company:

	Other payables RM'000
At 1 January 2011	-
Recognised in the income statements	(620)
At 31 December 2011	(620)
Reversed in the income statements	(417)
Exchange differences	4
At 31 December 2012	(1,033)

33. REVENUE

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Contract revenue on civil engineering and road construction works (Note 12(b))	959,052	1,124,717	405,240	655,631
Dividend income	-	-	222,984	33,405
Management fees	-	335	26,601	11,660
Sale of development properties	459,656	266,800	-	-
Sale of goods	53,336	81,762	-	-
Sale of properties held for sale	3,318	12,664	-	-
Sale of stock properties	936	999	-	-
Rental income	53,380	26,077	-	-
Car park income	6,197	4,139	-	-
Hotel income	24,479	21,096	-	-
	1,560,354	1,538,589	654,825	700,696

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34. COST OF SALES

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Construction contract costs (Note 12(b))	828,071	951,720	381,106	620,221
Cost of development properties sold (Note 5(b))	318,465	191,811	-	-
Cost of goods sold	50,652	77,703	-	-
Cost of properties held for sale	2,028	9,025	-	-
Cost of maintenance of investment properties	11,385	2,885	-	-
Cost of services provided	-	1,684	-	1,684
Cost incurred on car park operation	4,654	2,191	-	-
Cost of sales - hotel	5,533	4,594	-	-
	1,220,788	1,241,613	381,106	621,905

35. OTHER OPERATING INCOME/(LOSS)

	Group		Company	
		(Restated)		
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Interest	20,090	22,544	37,124	36,676
Unrealised (loss)/gain on foreign exchange	(7,636)	29,035	(9,439)	28,614
Rental	3,183	1,890	-	-
Gain on disposal of property, plant and equipment	2,658	811	160	174
Gain on disposal of investment properties	-	495	-	-
Gain on disposal of stock properties	156	1,452	156	1,452
Realised loss on foreign exchange	(5,862)	(23,625)	(1,389)	(17,612)
Fair value gain on investment properties (Note 6)	210,941	14,260	-	-
Finance income/(expense) from loan and receivables	17,242	10,043	(840)	(1,796)
Sale of scaffolding	79	152	-	-
Insurance claim	330	943	-	1
Reversal of allowance for impairment of trade and other receivables	1,988	7,551	61	6,735
Gain on dissolution of a joint operation	-	-	-	26,965
Write back in value of properties stock (Note 11)	666	-	666	-
Gain on bargain purchase (Note 7(a))	297	-	-	-
Reversal of impairment on investments in a subsidiary	-	-	6,698	-
Others	495	2,041	1,463	191
	244,627	67,592	34,660	81,400

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36. FINANCE COSTS

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Interest expense				
- term loans	22,730	18,316	-	-
- less: Amount capitalised under property development costs	(3,954)	(2,914)	-	-
- less: Amount capitalised under investment properties	(1,866)	(4,754)	-	-
	16,910	10,648	-	-
- profit on BAIDS	1,817	4,069	1,817	4,069
- interest on Bonds	15,042	14,959	15,042	14,959
- bank overdrafts	296	328	90	104
- bankers' acceptances	294	1,008	-	-
- revolving credits	3,078	3,054	-	-
- hire purchase	782	1,078	28	42
- profit on IMTNs	11,393	7,941	11,393	7,941
- accretion of profit on SUKUK	3,789	6,537	3,789	6,537
- accretion of interest on Bonds	13,014	12,318	13,014	12,318
- profit on SUKUK	2,469	4,452	2,469	4,452
- others	-	269	-	543
	68,884	66,661	47,642	50,965

NOTES
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37. PROFIT BEFORE TAXATION

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
(a) The following amounts have been included in arriving at profit before taxation:				
Auditors' remuneration				
- statutory	554	549	224	217
- under provision in prior years	5	69	-	57
- other services	203	-	110	-
Rent of premises and motor vehicles	1,782	1,816	285	817
Depreciation of property, plant and equipment	6,519	9,104	1,072	1,149
Bad debts written off	737	114	525	-
Allowance for doubtful debts				
- third parties	12	4,844	-	-
Property, plant and equipment written off	474	-	-	-
Impairment loss on				
- other investment	29	54	-	-
Revaluation deficit on property	401	-	148	-
Direct expenses (including repair and maintenance) attributable to income generating investment properties	16,039	5,076	-	-
(Reversal)/Provision for foreseeable losses for contract work in progress	(111)	795	-	-

NOTES
TO THE FINANCIAL STATEMENTS
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37. PROFIT BEFORE TAXATION *cont'd*

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
(b) Employee benefits expense				
Staff costs (excluding Directors)				
- wages and salaries	40,367	34,061	5,082	4,294
Social security costs	419	366	13	12
Employees' Provident Fund	4,758	4,441	442	459
Bonus and ex-gratia	4,380	6,193	967	533
ESOS expenses	9,095	10,090	3,236	2,748
Other staff related expenses	3,383	4,806	893	2,534
	62,402	59,957	10,633	10,580
(c) Directors' remuneration				
In respect of Company's Directors:				
Executive				
Salaries and other emoluments	3,744	4,046	3,744	4,046
Fees	108	114	48	54
Bonus	1,450	3,542	1,450	3,542
Employees' Provident Fund	623	675	623	675
Perquisite ESOS/Staff discount	59	384	59	384
Benefits-in-kind	141	171	134	163
	6,125	8,932	6,058	8,864
Non-executive				
Salaries and other emoluments	148	130	148	130
Fees	149	144	149	144
Perquisite ESOS/Staff discount	26	100	26	100
Benefits-in-kind	25	20	25	20
	348	394	348	394
Total	6,473	9,326	6,406	9,258

NOTES
TO THE FINANCIAL STATEMENTS
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37. PROFIT BEFORE TAXATION *cont'd*

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Analysis of Company's Directors' remuneration excluding benefits-in-kind:				
Executive Directors' remuneration	5,984	8,761	5,924	8,701
Non-executive Directors' remuneration	323	374	323	374
Total Directors' remuneration	6,307	9,135	6,247	9,075

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 2012				
RM1 - RM50,000	-	1	-	1
RM50,001 - RM100,000	-	2	-	2
RM150,001 - RM200,000	-	1	-	1
RM900,001 - RM950,000	2	-	2	-
RM1,650,001 - RM1,700,000	1	-	1	-
RM2,500,001 - RM2,550,000	-	-	1	-
RM2,250,001 - RM2,600,000	1	-	-	-
	4	4	4	4
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

NOTES
TO THE FINANCIAL STATEMENTS
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38. TAXATION

	Group		Company	
		(Restated)		
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Income tax:				
Malaysian income tax	63,886	37,992	6,809	7,697
Foreign income tax	2,014	-	2,014	-
Under/(over) provision in prior years	416	1,592	(83)	421
	66,316	39,584	8,740	8,118
Deferred taxation (Note 32):				
Relating to origination and reversal of temporary differences	3,049	3,132	(467)	55
Over provision in prior years	(124)	(1,672)	(3)	(809)
	2,925	1,460	(470)	(754)
Tax expense reported in income statements	69,241	41,044	8,270	7,364

Domestic current income tax is calculated at the Malaysian statutory tax rate of 25% (2011: 25%) of the estimated assessable profit for the financial year.

Tax in foreign jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2012

38. TAXATION *cont'd*

A reconciliation of income tax expense 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:

	2012 RM'000	(Restated) 2011 RM'000
Group		
Profit before taxation	414,944	207,538
Taxation at Malaysian statutory tax rate of 25% (2011: 25%)	103,736	51,885
Effect of different tax rates in foreign branches	(3,020)	-
Effect of zero tax rates in foreign countries	-	(2,448)
Effect of share of results of associates	(4,199)	(4,111)
Income not subject to tax	(52,197)	(20,193)
Expenses not deductible for tax purposes	24,629	15,991
Over provision of deferred tax in prior years	(124)	(1,672)
Under provision of income tax in prior years	416	1,592
Tax expense for the financial year	69,241	41,044
Company		
Profit before taxation	235,367	87,411
Taxation at Malaysian statutory tax rate of 25% (2011: 25%)	58,842	21,853
Effect of different tax rates in foreign branches	(3,020)	-
Effect of zero tax rates in foreign branches	-	(1,326)
Income not subject to tax	(56,417)	(18,805)
Expenses not deductible for tax purposes	8,951	6,030
Over provision of deferred tax in prior years	(3)	(809)
(Over)/under provision of income tax in prior years	(83)	421
Tax expense for the financial year	8,270	7,364

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

39. EARNINGS PER SHARE

(i) Basic

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group 2012 RM'000	Group (Restated) 2011 RM'000
Profit attributable to equity holders of the Company	358,861	165,988
Weighted average number of shares in issue	944,123	923,096
Basic earnings per share (sen)	38.01	17.98

(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 2012 RM'000	Group (Restated) 2011 RM'000
Profit attributable to ordinary equity holders of the Company	358,861	165,988
Weighted average number of shares in issue	944,123	923,096
Effect of dilution:		
Shares options	7,889	13,621
Warrants	35,632	72,647
Adjusted weighted average number of shares in issue and issuable	987,644	1,009,364
Diluted earnings per share (sen)	36.34	16.44

The weighted average number of shares for basic and diluted earnings per share of the Group has been arrived at based on the assumptions that the bonus share issue on the basis of 3 bonus shares for every 20 existing ordinary shares held in the Company is included in the calculation of basic and diluted earnings per share.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2012

39. EARNINGS PER SHARE *cont'd*

(ii) Fully diluted *cont'd*

The comparative basic and fully diluted earnings per share have been restated to take into account of the bonus shares and warrants issued during the financial year.

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 48(a).

40. DIVIDENDS

	Dividends in respect of year				Dividends recognised in year	
	2013	2012	2011	2010	2012	2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Recognised during the year:						
Dividend of 13.5% per ICPS on 22,732,916 ICPS of RM0.10 each paid on 6 August 2010	-	-	-	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	-	-
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
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
Final dividend of 3.0 sen per share less 25% tax, and tax exempt dividend of 1.5 sen per share on 820,732,790 ordinary shares of RM0.50 each (3.75 sen per ordinary share) paid on 8 June 2012	-	-	30,777	-	30,777	-

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

40. DIVIDENDS *cont'd*

	Dividends in respect of year				Dividends recognised in year	
	2013 RM'000	2012 RM'000	2011 RM'000	2010 RM'000	2012 RM'000	2011 RM'000
Recognised during the year: *cont'd*						
Dividend of 13.5% per ICPS on 10,516,614 ICPS of RM0.10 each paid on 6 August 2012	-	142	-	-	142	-
Single tier interim dividend of 3.75 sen per share, on 822,878,100 ordinary shares of RM0.50 each (3.75 sen per ordinary share) paid on 20 September 2012	-	30,858	-	-	30,858	-
Declared subsequent to financial year end (not recognised as at 31 December):						
Single tier interim dividend of 3.25 sen per share, on 1,066,668,878 ordinary shares of RM0.50 each (3.25 sen per ordinary share)	34,667	-	-	-	-	-
	34,667	31,000	61,186	59,652	61,777	60,354

Subsequent to the financial year end, on 25 February 2013, the Directors declared an interim single tier dividend of 3.25 sen per ordinary share of RM0.50 each on 1,066,668,878 ordinary shares amounting to RM34,666,739.

The financial statements for the current financial year do not reflect this dividend. Upon declaration, the dividend payment will be accounted for in the shareholders' equity as an appropriation of retained profits in the next financial year ending 31 December 2013. The Directors do not propose any final dividend in respect of the financial year ended 31 December 2012.

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

41. RELATED PARTY DISCLOSURES

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

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Contract revenue from a joint venture	274,728	180,023	-	-
Contract cost payable to a subsidiary	-	-	(163,732)	(436,182)
Purchase of property, plant and equipment from a subsidiary	-	-	-	(1,141)
Purchase of property, plant and equipment from joint operations	-	(865)	-	-
Rent expense payable to a company related to a Director of the Company	(526)	(440)	-	-
Management fee receivable from subsidiaries	-	-	26,601	11,660
Gross dividend receivable from subsidiaries	-	-	222,984	33,405
Interest receivable from subsidiaries	-	-	22,684	18,807
Sales of properties to a Director and persons connected with the Director	5,108	-	-	-
Repayment from joint operations	-	-	19,446	90,805
Advance to a joint venture	(28,989)	(25,552)	-	-

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 14.

(b) Compensation of key management personnel

The Company defines key management personnel as its Directors whose remunerations are detailed in Note 37(c).

NOTES
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42. OPERATING LEASE ARRANGEMENTS

(a) The Group as lessee

The Group has entered into non-cancellable operating lease agreements for the use of land and buildings. These leases have an average life of between 1 and 3 years with no renewal or purchase option included in the contracts. There are no restrictions placed upon the Group by entering into these leases.

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

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Future minimum rental payments:				
Not later than 1 year	1,624	1,292	120	-
Later than 1 year and not later than 5 years	1,317	873	140	-
	2,941	2,165	260	-

The lease payments and rent capitalised under construction contracts during the financial year are disclosed in Note 12(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 25 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 date but not recognised as receivables, are as follows:

	Group	
	2012	2011
	RM'000	RM'000
Future minimum rental receivables:		
Not later than 1 year	86,425	59,631
Later than 1 year and not later than 5 years	182,694	196,022
Later than 5 years	2,995	24,157
	272,114	279,810

Rental income earned from these investment properties during the financial year is disclosed in Notes 33 and 35.

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43. COMMITMENT

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Approved and contracted for:				
Property, plant and equipment	269	16,649	-	-
Land	345,293	86,081	-	-
Investment	450,619	540,252	-	-
Share of capital commitment of joint operations	37,871	37,871	37,871	37,871
	834,052	680,853	37,871	37,871

44. CONTINGENT LIABILITIES

	Company	
	2012	2011
	RM'000	RM'000
(a) (i) Corporate guarantees given to trade suppliers and financial institutions for credit facilities granted to subsidiaries:		
- trade suppliers	51,800	57,500
- financial institutions	732,382	757,732
	784,182	815,232
(ii) Other guarantees	15,400	15,400
	799,582	830,632

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.

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44. CONTINGENT LIABILITIES *cont'd*

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
(b) Performance, advance payment and tender guarantee granted to:				
- clients	655,356	606,301	655,356	606,301
- clients of subsidiaries	52,712	150,852	17,484	17,484
- clients of joint operations	143,574	159,469	143,574	159,469
- others	6,884	6,884	-	-
	858,526	923,506	816,414	783,254

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	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
(c) Letters of credit utilised by				
- subsidiaries	18,622	-	-	-
(d) Tax matters under appeal by				
- a subsidiary	3,345	3,509	-	-

(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").

NOTES TO THE FINANCIAL STATEMENTS
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44. CONTINGENT LIABILITIES *cont'd*

(e) 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).

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.

45. 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 RM441,651 lower/higher, arising mainly as a result of higher/lower interest expense on floating rate loans, borrowings and higher/lower interest income.

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45. 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 2012									
Group									
Fixed rate									
Deposits	15	3.03	761,136	-	-	-	-	-	761,136
Hire purchase creditors	19	5.24	(4,172)	(3,213)	(7)	-	-	-	(7,392)
Term loans	22	4.98	(16,190)	(12,000)	(21,600)	(21,600)	(232,800)	-	(304,190)
SUKUK	24	5.20	(99,288)	-	-	-	-	-	(99,288)
IMTN	25	4.30	(100,000)	(300,000)	-	-	-	-	(400,000)
Bonds	26	4.90	(293,399)	-	(278,108)	-	-	-	(571,507)
Floating rate									
Bank overdrafts	20	7.60	(5,471)	-	-	-	-	-	(5,471)
Bankers' acceptances	21	3.35	(10,195)	-	-	-	-	-	(10,195)
Revolving credits	21	4.40	(70,000)	-	-	-	-	-	(70,000)
Term loans	22	4.17	(332,000)	(23,985)	-	-	-	-	(355,985)

NOTES TO THE FINANCIAL STATEMENTS
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45. 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 2012									
Company									
Fixed rate									
Deposits	15	3.03	676,388	-	-	-	-	-	676,388
Hire purchase creditors	19	6.20	(212)	(54)	-	-	-	-	(266)
Term loans	22	5.50	(4,190)	-	-	-	-	-	(4,190)
SUKUK	24	5.20	(99,288)	-	-	-	-	-	(99,288)
IMTN	25	4.30	(100,000)	(300,000)	-	-	-	-	(400,000)
Bonds	26	4.90	(293,399)	-	(278,108)	-	-	-	(571,507)
Floating rate									
Bank overdrafts	20	7.66	(456)	-	-	-	-	-	(456)

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

45. 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
(Restated)									
At 31 December 2011									
Group									
Fixed rate									
Deposits	15	2.62	509,116	-	-	-	-	-	509,116
Hire purchase creditors	19	5.24	(13,574)	(2,860)	(1,830)	-	-	-	(18,264)
Term loans	22	6.49	(8,720)	(9,454)	(12,128)	(13,108)	(14,281)	(109,392)	(167,083)
BAIDS	23	6.65	(40,000)	-	-	-	-	-	(40,000)
SUKUK	24	5.13	(99,305)	(96,194)	-	-	-	-	(195,499)
IMTN	25	5.10	-	(100,000)	-	-	-	-	(100,000)
Bonds	26	4.90	-	(293,878)	-	(264,615)	-	-	(558,493)
Floating rate									
Bank overdrafts	20	7.42	(10,636)	-	-	-	-	-	(10,636)
Bankers' acceptances	21	3.64	(24,395)	-	-	-	-	-	(24,395)
Revolving credits	21	4.37	(70,000)	-	-	-	-	-	(70,000)
Term loans	22	4.13	(199,429)	-	-	-	-	-	(199,429)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2012

45. 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	15	2.62	446,964	-	-	-	-	-	446,964
Hire purchase creditors	19	5.55	(372)	(212)	(54)	-	-	-	(638)
BAIDS	23	6.65	(40,000)	-	-	-	-	-	(40,000)
SUKUK	24	5.13	(99,305)	(96,194)	-	-	-	-	(195,499)
IMTN	25	5.10	-	(100,000)	-	-	-	-	(100,000)
Bonds	26	4.90	-	(293,878)	-	(264,615)	-	-	(558,493)
Floating rate									
Bank overdrafts	20	7.50	(2,970)	-	-	-	-	-	(2,970)
Bankers' acceptances	21	3.85	(10,473)	-	-	-	-	-	(10,473)

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 material interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2012

45. FINANCIAL INSTRUMENTS *cont'd*

(c) Foreign currency risk

The Group is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States Dollars (USD), UAE Dirhams (AED), Bahrain Dinars (BHD), Qatari Riyals (QAR) and Indian Rupees (INR). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency which is pegged with the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

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	
		2012	2011	2012	2011
		RM'000	RM'000	RM'000	RM'000
		Profit net of tax	Profit net of tax	Profit net of tax	Profit net of tax
AED/RM -	Strengthen 3%	11,110	7,834	1,907	2,357
	Weakened 3%	(11,110)	(7,834)	(1,907)	(2,357)
QAR/RM -	Strengthen 3%	6,370	1,535	6,370	1,535
	Weakened 3%	(6,370)	(1,535)	(6,370)	(1,535)
BHD/RM -	Strengthen 3%	(1,091)	(1,263)	-	-
	Weakened 3%	1,091	1,263	-	-
USD/RM -	Strengthen 3%	490	506	490	506
	Weakened 3%	(490)	(506)	(490)	(506)

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

45. FINANCIAL INSTRUMENTS *cont'd*

(c) Foreign currency risk

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 2012								
Ringgit Malaysia	-	132	40	-	81	-	-	253
Bahrain Dinars	-	4	-	310	8,201	-	-	8,515
Qatari Riyal	(1,669)	12	-	-	5,240	-	-	3,583
United States Dollars	-	-	-	-	-	40,147	-	40,147
UAE Dirhams	-	-	-	975	-	-	-	975
Vietnamese Dong	-	183	-	-	-	-	-	183
	(1,669)	331	40	1,285	13,522	40,147	-	53,656
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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2012

45. 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 2012				
Trade and other payables	-	1,083,362	563,212	1,646,574
Loans and borrowings	-	938,028	915,205	1,853,233
	-	2,021,390	1,478,417	3,499,807
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 2012				
Trade and other payables	-	113,469	195,831	309,300
Due to related companies	66,296	-	3,598	69,894
Loans and borrowings	-	504,858	600,054	1,104,912
	66,296	618,327	799,483	1,484,106
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

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TO THE FINANCIAL STATEMENTS
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45. FINANCIAL INSTRUMENTS *cont'd*

(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 12(a).

The exposure of credit risk for trade receivables as at the end of the reporting period by geographic region are as follows:

	Group	
	2012	**2011**
	RM'000	**RM'000**
Malaysia	448,632	459,240
Middle East	616,348	549,462
	1,064,980	1,008,702

NOTES
TO THE FINANCIAL STATEMENTS
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45. FINANCIAL INSTRUMENTS *cont'd*

(f) Fair values

The carrying amounts of financial assets and liabilities of the Group's and of the Company's at the reporting 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 2012					
Financial asset					
Non-current unquoted shares	10	9,721	*	-	-
Financial liabilities					
Hire purchase payables	19	3,220	3,040	54	51
Term loans	22	311,985	253,956	-	-
IMTN	25	300,000	300,878	300,000	300,878
Bonds	26	278,108	274,429	278,108	274,429
		893,313	832,303	578,162	575,358
At 31 December 2011					
Financial asset					
Non-current unquoted shares	10	9,750	*	-	-
Financial liabilities					
Hire purchase payables	19	4,690	3,887	266	248
Term loans	22	158,363	112,910	-	-
SUKUK	24	96,194	93,995	96,194	93,995
IMTN	25	100,000	99,786	100,000	99,786
Bonds	26	558,493	551,438	558,493	551,438
		917,740	862,016	754,953	745,467

* *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.*

NOTES
TO THE FINANCIAL STATEMENTS
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45. FINANCIAL INSTRUMENTS *cont'd*

(f) Fair values *cont'd*

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.

(ii) Current borrowings

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair value 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, SUKUK and Bonds, fair values are estimated by discounting expected future cash flows using the indicative market rates available for each of the series.

The fair value measurement hierarchies used to measure financial assets and financial liabilities carried at fair value in the statement of financial position as at 31 December 2012 are as follows:

(a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

(c) Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 3 RM'000
At 31 December 2012	
Group	
Assets	
Available for sales	9,721

There were no material transfers between Level 1, Level 2 and Level 3 during the current financial year.

The Group and the Company do not have any financial instruments classified as Level 1 and Level 2 as at 31 December 2012.

NOTES TO THE FINANCIAL STATEMENTS

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45. FINANCIAL INSTRUMENTS *cont'd*

(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")

At 31 December 2012	Note	Carrying amount RM'000	L&R RM'000	OL RM'000	AFS RM'000
Group					
Financial assets					
Other investments	10	9,721	-	-	9,721
Trade receivables	12	658,737	658,737	-	-
Other receivables	13	530,640	530,640	-	-
Due from related parties	14	99,470	99,470	-	-
Cash and cash equivalents	15	1,077,715	1,077,715	-	-
		2,376,283	2,366,562	-	9,721
Financial liabilities					
Trade payables	16	(641,603)	-	(641,603)	-
Other payables	17	(905,393)	-	(905,393)	-
Borrowings	18	(1,824,028)	-	(1,824,028)	-
		(3,371,024)	-	(3,371,024)	-
Company					
Financial assets					
Trade receivables	12	143,003	143,003	-	-
Other receivables	13	80,946	80,946	-	-
Due from related parties	14	1,050,178	1,050,178	-	-
Cash and cash equivalents	15	712,918	712,918	-	-
		1,987,045	1,987,045	-	-
Financial liabilities					
Due to related parties	14	(69,214)	-	(69,214)	-
Trade payables	16	(35,189)	-	(35,189)	-
Other payables	17	(265,449)	-	(265,449)	-
Borrowings	18	(1,075,707)	-	(1,075,707)	-
		(1,445,559)	-	(1,445,559)	-

NOTES TO THE FINANCIAL STATEMENTS
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45. FINANCIAL INSTRUMENTS *cont'd*

(g) Categories of financial instruments *cont'd*

At 31 December 2011	Note	Carrying amount RM'000	L&R RM'000	OL RM'000	AFS RM'000
Group					
Financial assets					
Other investments	10	9,750	-	-	9,750
Trade receivables	12	752,676	752,676	-	-
Other receivables	13	664,816	664,816	-	-
Due from related parties	14	204,136	204,136	-	-
Cash and cash equivalents	15	790,002	790,002	-	-
		2,421,380	2,411,630	-	9,750
Financial liabilities					
Trade payables	16	(607,141)	-	(607,141)	-
Other payables	17	(732,550)	-	(732,550)	-
Borrowings	18	(1,383,799)	-	(1,383,799)	-
		(2,723,490)	-	(2,723,490)	-
Company					
Financial assets					
Trade receivables	12	296,649	296,649	-	-
Other receivables	13	78,308	78,308	-	-
Due from related parties	14	988,736	988,736	-	-
Cash and cash equivalents	15	477,100	477,100	-	-
		1,840,793	1,840,793	-	-
Financial liabilities					
Due to related parties	14	(195,924)	-	(195,924)	-
Trade payables	16	(15,428)	-	(15,428)	-
Other payables	17	(295,888)	-	(295,888)	-
Borrowings	18	(908,073)	-	(908,073)	-
		(1,415,313)	-	(1,415,313)	-

NOTES
TO THE FINANCIAL STATEMENTS
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46. 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.

47. SIGNIFICANT EVENTS

During the financial year:

(a) Acquisition of the remaining 30% equity interest in One Medini Sdn. Bhd.

On 28 March 2012, WCT Land Sdn. Bhd. ("WCTL") entered into a share sale agreement with Medini Land Sdn. Bhd. to acquire 1,500,000 ordinary shares of RM1.00 each at par representing the remaining 30% equity interest in One Medini Sdn. Bhd. ("OMSB") for a purchase consideration of RM1,825,000. The transaction was subsequently completed which resulted OMSB became a wholly owned subsidiary of WCTL.

(b) Acquisition of commercial land

On 23 August 2012, WCT Hartanah Jaya Sdn. Bhd. ("WHSB"), a wholly owned subsidiary of WCTL which in turn is the wholly owned subsidiary of the Company, acquired a commercial land together with an abandoned shopping mall comprising a 4 level retail podium block and 2 levels of car parks above the podium erected on Lot 32665 held under a freehold title Geran 413471, Mukim of Tebrau, District of Johor Bahru, from Idaman Usahamas Sdn. Bhd. for the total purchase consideration of RM180,000,000.

(c) Acquisition of leasehold land

On 23 August 2012, Pioneer Acres Sdn. Bhd., a wholly owned subsidiary of WCTL which in turn is the wholly owned subsidiary of the Company, entered into a sales and purchase agreement for the acquisition of 7 parcels of leasehold land held under Country Lease No. CL015026221 measuring 22 acres 16 perches, situated at Kg. Sinulihan Baru, off Jalan Tuaran Inaman, District of Kota Kinabalu, Sabah for a total consideration of RM43,500,000.

(d) Proposed internal reorganisation

On 5 October 2012, the Company announced a proposed internal reorganisation for the Group through the following:-

(i) Proposed exchange of the securities ("Proposed Securities Exchange") of the Company with securities in a new investment holding company, WCTH via a members' scheme of arrangement under Section 176 of the Act which will entail the following:-

(aa) Proposed exchange of the entire issued and paid-up ordinary share capital of RM0.50 each in the Company ("WCT Share") for ordinary share of RM0.50 each (after the proposed share split) in WCTH ("WCTH Share(s)") on the basis of 1 new WCTH Share for every 1 WCT Share held;

(bb) Proposed exchange of the outstanding Warrants 2008/2013 in the Company for new Warrants 2008/2013 in WCTH ("WCTH Warrant(s) 2008/2013") on the basis of 1 WCTH Warrant 2008/2013 for every 1 existing Warrant 2008/2013 held;

NOTES TO THE FINANCIAL STATEMENTS
31 December 2012

47. SIGNIFICANT EVENTS *cont'd*

(d) Proposed internal reorganisation *cont'd*

(i) Proposed exchange of the securities ("Proposed Securities Exchange") of the Company with securities in a new investment holding company, WCTH via a members' scheme of arrangement under Section 176 of the Act which will entail the following:- *cont'd*

(cc) Proposed exchange of the outstanding Warrants 2011/2016 in the Company for new Warrants 2011/2016 in WCTH ("WCTH Warrant(s) 2011/2016") on the basis of 1 WCTH Warrant 2011/2016 for every 1 existing Warrant 2011/2016 held; and

(dd) Proposed exchange of the proposed Warrants 2012/2017 in the Company with new Warrants 2012/2017 in WCTH ("WCTH Warrant(s) 2012/2017") on the basis of 1 WCTH Warrant 2012/2017 for every 1 proposed Warrant 2012/2017 held;

(ii) Proposed assumption of the listing status of the Company by WCTH and the admission of WCTH to the official list of Bursa Securities ("Proposed Transfer Listing");

(iii) Proposed transfer of the Company's entire shareholding in WCTL, its direct wholly-owned subsidiary to WCTH;

(iv) Proposed termination of the Company's existing ESOS 2012/2022; and

(v) Proposed establishment of a new employees' share option scheme for the eligible directors and employees of WCTH and its subsidiaries ("Proposed WCTH ESOS").

(e) Disposal of a subsidiary pursuant to the proposed reorganisation exercise

On 9 October 2012, the Company disposed of 2 ordinary shares of RM1.00 each representing the entire issued and paid-up shares capital of WCTH to Chong Kian Fah and Loh Chee Mun with one ordinary share each, for a total cash consideration of RM2.00 to facilitate the implementation of the Proposed Internal Reorganisation as detailed in Note 47(d).

(f) Lease purchase agreement

On 2 November 2012, WCT Acres Sdn. Bhd., a wholly-owned subsidiary of WCTL, which in turn is a wholly-owned subsidiary of the Company, entered into a conditional lease purchase agreement with Medini Land Sdn. Bhd. for the acquisition of a lease of land identified as Plot A60 in Zone A, Medini, held under H.S.(D) 484847, PTD 170707 in the Mukim of Pulai, Daerah Johor Bahru, State of Johor Darul Takzim for a total purchase consideration of RM99,468,000.

(g) Bonus issue of share and warrants

On 12 December 2012, the Company allotted 123,621,962 ordinary shares of RM0.50 each credited as fully paid pursuant to the bonus issue on the basis of 3 bonus shares for every 20 existing ordinary shares held in the Company ("Bonus Issue of Share").

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

47. SIGNIFICANT EVENTS *cont'd*

(g) Bonus issue of share and warrants *cont'd*

On the same date, the Company issued 164,829,282 Warrants 2012/2017 pursuant to the bonus issue of 1 Warrant 2012/2017 for every five 5 existing ordinary shares held in the Company ("Bonus Issue of Warrants").

The bonus share and bonus warrants were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 20 December 2012.

(h) Adjustment to the exercise price of Warrant 2008/2013 and Warrant 2011/2016

The adjustment to the exercise price of the outstanding Warrants 2008/2013 from RM2.50 to RM1.85 as a result of the Bonus Issue of Shares and the Bonus Issue of Warrants was made in accordance with the provisions of the Deed Poll dated 12 March 2008 constituting the Warrants 2008/2013 to ensure that the status of the holders of Warrants 2008/2013 is not prejudiced as a result of the Bonus Issue of Shares and the Bonus Issue of Warrants.

The adjustment to the exercise price of the outstanding Warrants 2011/2016 from RM2.75 to RM2.04 as a result of the Bonus Issue of Shares and the Bonus Issue of Warrants was made in accordance with the provisions of the Deed Poll dated 17 December 2010 (as amended and varied via the supplemental Deed Poll dated 30 August 2012), to ensure that the status of the holders of Warrants 2011/2016 is not prejudiced as a result of the Bonus Issue of Shares and the Bonus Issue of Warrants.

(i) New employee share options scheme 2012/2022 ("ESOS 2012/2022")

The Company established and implemented a new ESOS 2012/2022 of up to 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. A total number of 6,920,000 of ESOS were granted to the employees in July 2012 at an exercise price of RM2.201.

(j) Adjustment to the exercise price of ESOS 2012/2022

The adjustment to the option price of unexercised ESOS 2012/2022 Options from RM2.201 to RM1.63 was made in accordance with the provisions of the by-laws governing the Company's ESOS Options to ensure that the status of the ESOS Option holders is not prejudiced as a result of the Bonus Issue of Shares and the Bonus Issue of Warrants.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2012

48. SUBSEQUENT EVENTS

(a) 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 RM475,820,236 to RM533,828,489 comprising 1,067,656,978 ordinary shares of RM0.50 each by way of:

(i) issuance of 4,890,150 ordinary shares of RM0.50 each for cash pursuant to the Company's ESOS at exercise price RM1.63 per ordinary share;

(ii) issuance of 110,859,530 ordinary shares of RM0.50 each pursuant to the conversion of Warrants 2008/2013 at an exercise price of RM1.85 per ordinary share for cash;

(iii) issuance of 1,000 ordinary shares of RM0.50 each pursuant to the conversion of Warrants 2011/2016 at an exercise price of RM2.04 per ordinary share for cash; and

(iv) issuance of 265,825 ordinary shares of RM0.50 each pursuant to the conversion of Warrants 2012/2017 at an exercise price of RM2.25 per ordinary share for cash.

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

(b) 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 was completed on 6 February 2013 and Timor Barat has became a wholly-owned subsidiary of WCTL.

(c) Disposal of 30% equity interest in Jelas Puri Sdn. Bhd.

On 29 January 2013, WCTL, a wholly owned subsidiary of the Company disposed 48,000,000 ordinary shares of RM1.00 each in Jelas Puri Sdn. Bhd. ("JPSB"), representing 30% of the enlarged issued and paid-up share capital of JPSB to Employees Provident Fund Board for a total cash consideration of RM87.36 million. With the completion of the disposal, JPSB has become a 70% owned subsidiary of WCTL.

(d) Incorporation of a subsidiary

On 30 January 2013, WCT Oman Roads LLC ("WCT Oman Roads"), a 60% owned subsidiary was incorporated in the Sultanate of Oman. The remaining 40% equity interest in WCT Oman Roads is held by Oman Roads Engineering Company L.L.C. (Licence No. 1059117), a limited liability company incorporated in the Sultanate of Oman.

The principal activity of WCT Oman Roads will be in the road construction sector (including roads, bridges and tunnels) in the Sultanate of Oman.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2012

48. SUBSEQUENT EVENTS *cont'd*

(d) Incorporation of a subsidiary *cont'd*

The issued and paid-up share capital of WCT Oman Roads is Omani Riyal (OR) 150,000/= divided into 150,000 ordinary shares of OR1.00 each. The Company has subscribed and paid for its portion of the initial capital of OR90,000 (approximately RM719,998).

(e) Scheme of arrangement under Section 176

The Company and WCTH have on 4 March 2013 entered into a Scheme Agreement which sets out, inter-alia, the terms relating to the implementation of the Proposed Securities Exchange and Proposed Transfer Listing via a scheme of arrangement under Section 176 of the Companies Act, 1965.

(f) Establishment of a RM1.0 billion MTN Programme

On 27 March 2013, the Company has established a MTN Programme of up to RM1.0 billion in nominal value for the issuance of MTNs to principally fund the Company and its subsidiaries working capital requirements, capital expenditure, investments specific to the Group's core businesses and/or refinancing of the Group's existing borrowings. The outstanding nominal value of MTNs issued under the MTN Programme, in aggregate, shall not exceed RM1.0 billion at any point in time. Any amount of MTNs redeemed shall be capable of being re-issued subject to the issue size and maturity of the new issues not exceeding the limit and tenure of the MTN Programme.

The MTN Programme shall have a tenure of up to 15 years from the date of first issuance of the MTNs provided that the first issue of the MTNs shall be no later than 2 years from the date of SC's approval of the MTN Programme. The MTNs may be issued for tenures of more than 1 year and up to 15 years from the date of issuance, at the option of the Issuer, provided always that no MTNs shall mature beyond the tenure of the MTN Programme.

The MTNs will be issued via book-building, private placement or bought deal basis.

The obligations represented by the MTNs shall constitute direct, unsecured, unconditional and unsubordinated obligations of the issuer under the laws of Malaysia and shall rank at least pari passu with all unsecured obligations of the Issuer (except those obligations preferred by applicable laws).

On 9 April 2013, the Company draw down RM200 million and RM300 million of the MTN under the MTN Programme with the tenure of 5 years and 7 years from issue date. The maturity date of the MTN is 9 April 2018 and 9 April 2020 and yield to maturity at issuance date was 4.2% and 4.4% respectively.

49. CONTRACT DISPUTE

Pursuant to the cancellation of the contract (previously awarded to WCT Berhad (Dubai Branch) and Arabtec Construction LLC ("Arabtec")) in a 50:50 joint venture ("the Joint Venture") by Meydan Group LLC ("Meydan") 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.

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

49. CONTRACT DISPUTE *cont'd*

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(b) on critical judgements for the arbitration proceedings.

The Joint Venture's dispute and claims had been revised from time to time and the Group's share of the current revised claims is in excess of AED1,400 million (or approximately RM1.16 billion). On 27 June 2012, Meydan had filed a civil claim before the Dubai Civil Court contesting the validity of the arbitration tribunal and claiming a sum of AED3.5 billion (or approximately RM2.94 billion) plus interest.

Subsequent to the reporting date, Arabtec's Board approved, based on discussion with Meydan's management, without prejudice to their respective rights and obligations, to withdraw all pending legal cases and proceed with negotiations for amicable settlement to resolve all outstanding issues, claims and counter claims. Pursuant thereto, Arabtec and Meydan has since withdrawn their respective claims and counterclaims as against themselves, from the arbitration proceedings. The arbitration proceedings is still subsisting and still pending as between WCT and Meydan.

Subsequent to the reporting date also, the Dubai Civil Court had rejected both Meydan's challenge on the validity of the arbitration tribunal and Meydan's civil claim for AED3.5 billion (or approximately RM2.94 billion) plus interest, the latter in view of the binding arbitration agreement between the parties and in view of the valid pending arbitration proceedings ("Decision"). Meydan has since filed an appeal ("Appeal") to the Dubai Court of Appeal against the Company in respect of the Decision.

The management further believes, based on continuing legal opinion received, that the prospects of successfully opposing the Appeal are good and that notwithstanding Arabtec's withdrawal from the arbitration proceedings, WCT's prospects of success in the arbitration proceedings remain good.

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

49. CONTRACT DISPUTE *cont'd*

	(Group's 50% share)	
	2012	**2011**
	RM'000	**RM'000**
Statement of financial position		
Non-current assets		
Property, plant and equipment	1	18
Trade receivables		
Contract receivables (1)	15,563	14,895
Amounts due from customer for contract work (1)	224,937	220,163
Retention sum receivable (1)	37,632	36,834
Other receivables		
Advances paid to suppliers and sub-contractors (1)	56,724	55,520
Performance security deposits	184,682	180,763
Others	47,308	36,722
	566,847	544,915
Current assets		
Other receivables		
Sundry receivables	1	4
Advances paid to suppliers and sub-contractors	3,851	4,032
	3,852	4,036
Total assets	570,699	548,951
Non-current liabilities		
Trade payables (2)	4,154	4,066
Retention sum payable (2)	2,424	2,373
Other payables (2)	191,203	187,145
Performance security payable to related party	187,372	194,958
Advances received from customer (2)	56,724	55,520
Amounts due to related parties	158,107	130,808
	599,984	574,870

NOTES TO THE FINANCIAL STATEMENTS
31 December 2012

49. CONTRACT DISPUTE *cont'd*

	(Group's 50% share) 2012 RM'000	2011 RM'000
Statement of financial position *cont'd*		
Current Liabilities		
Trade payables	934	989
Other payables	7,191	8,276
Retention payable - current portion	3,757	3,908
Advance received from customer	6,319	6,574
	18,201	19,747
Total liabilities	618,185	594,617
Exchange reserve	2,326	2,326
Net liabilities	(47,486)	(45,666)
Deficit	(45,160)	(43,340)

(1) *Include receivables of RM255 million (2011: RM265 million) in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecourse project.*

(2) *Include payables of RM255 million (2011: RM265 million) in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecourse project.*

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 allowance 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.

50. 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.

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

50. SEGMENT INFORMATION *cont'd*

(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 Doha, 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.

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

50. SEGMENT INFORMATION *cont'd*

Business segments

The following table provides an analysis of the Group's revenue, results, assets and liabilities by business segments:

	Civil engineering and construction RM'000	Property development RM'000	Property investment and management RM'000	Unallocated RM'000	Eliminations RM'000	Consolidated RM'000
31 December 2012						
Revenue						
Revenue from external customers	1,012,388	462,975	84,991	-	-	1,560,354
Inter-segment revenue	637,214	130,500	-	-	(767,714)	-
Total revenue	1,649,602	593,475	84,991	-	(767,714)	1,560,354
Result						
Profit from operations	109,968	117,452	240,359	-	-	467,779
Finance costs	-	-	-	-	-	(68,884)
Share of profit of associates	-	-	-	16,795	-	16,795
Share of profit of joint venture	-	-	(746)	-	-	(746)
Taxation	-	-	-	-	-	(69,241)
Profit after taxation						345,703
Assets and liabilities						
Segment assets	2,459,200	1,280,065	1,439,952	658	-	5,179,875
Unallocated assets	-	-	-	-	-	-
Interest in						
- associated companies	-	-	-	157,317	-	157,317
- joint venture	-	-	49,835	-	-	49,835
						5,387,027
Segment liabilities	2,387,347	242,120	890,111	34	-	3,519,612

NOTES
TO THE FINANCIAL STATEMENTS
31 December 2012

50. SEGMENT INFORMATION *cont'd*

Business segments *cont'd*

	Civil engineering and construction RM'000	Property development RM'000	Property investment and management RM'000	Unallocated RM'000	Eliminations RM'000	Consolidated RM'000
(Restated)						
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	37,432	-	-	255,865
Finance costs	-	-	-	-	-	(66,661)
Share of profit of associates	-	-	-	16,750	-	16,750
Share of profit of joint venture	-	-	1,584	-	-	1,584
Taxation	-	-	-	-	-	(41,044)
Profit after taxation						166,494
Assets and liabilities						
Segment assets	2,403,092	990,438	1,014,339	-	-	4,407,869
Unallocated assets	-	-	-	571	-	571
Interest in						
- associated companies	-	-	-	159,529	-	159,529
- joint venture	-	-	1,581	-	-	1,581
						4,569,550
Segment liabilities	2,221,419	587,423	1,607	67		2,810,516

NOTES TO THE FINANCIAL STATEMENTS
31 December 2012

50. 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	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Malaysia	1,265,078	1,165,973	4,072,409	2,974,781
Middle East	295,276	372,616	1,122,094	1,403,579
India	-	-	177,056	175,331
Others	-	-	15,468	15,859
Consolidated	1,560,354	1,538,589	5,387,027	4,569,550

SUPPLEMENTARY INFORMATION

51. SUPPLEMENTARY INFORMATION

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.

	Group	
	2012	**2011 (Restated)**
	RM'000	**RM'000**
Total retained profits of the Company and its subsidiaries:-		
- Realised	947,281	1,123,479
- Unrealised	239,353	43,402
	1,186,634	1,166,881
Total share of retained profits/(losses) from associates:-		
- Realised	85,610	68,832
- Unrealised	(342)	(359)
	85,268	68,473
Total share of lossess from jointly controlled entities:-		
- Realised	(64,585)	(53,657)
- Unrealised	(1,564)	(1,564)
	(66,149)	(55,221)
Less: Consolidation adjustments	(277,091)	(561,216)
Total Group retained profits as per consolidated accounts	928,662	618,917

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 2012 RM
1.	No.1 Jalan SS7/26A Kelana Jaya 47301 Petaling Jaya Selangor	A 6-storey shopping mall together with 2 levels of basement and 4 levels of elevated car park floors	679,806 sf (Retail net lettable area)	Leasehold interest 99 years expiring on 14 July 2096	Owner operated	1	Valuation: 18 May 2012 -	724,911,723
2.	1, Persiaran Batu Nilam 1/KS 6, Bandar Bukit Tinggi 2 41200 Klang Selangor Darul Ehsan	A 6-storey shopping mall	1,000,950 sf (Retail net lettable area)	Freehold/6	Leased to AEON	1	Valuation: Dec 2012	388,774,526
3.	Master Title Nos. PT 5167 Seksyen Bandar Petaling Jaya State of Selangor	An on-going commercial development	13.98 acres	Leasehold interest 99 years expiring on 14 July 2096	Property Development Project	-	Acquisition: March 2005	235,870,888
4	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	188,764,842
		Unsold units of Double storey semi-detached house	3,152 sf	Freehold/1	Vacant	1	-	878,172
		Unsold units of 2 storey shop office	1,418 sf to 1,526 sf	Freehold/1	Vacant	2	-	283,919
								189,926,933
5.	Geran 413471, Lot 32665, Mukim of Tebrau, District of Johor Bahru, State of Johor	Future mixed development	12.3817 acres	Freehold	Abandoned shopping mall and 2 level of car park	1	Acquisition: SPA date -23 August 2012	185,467,988

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 2012 RM
6.	Premiere Hotel Bandar Bukit Tinggi 1/KS6, Jalan Langat, 41200 Klang Selangor	12-storey Hotel	1.08 acres	Freehold/3	Owner operated	1	Valuation: December 2012	77,593,419
7.	Two (2) parcels of land: (1) HS(D) 478950, PTD, 170704; and (2) HS(D) 478951, PTD, 170705, Mukim Pulai Daerah Johor Bahru Negeri Johor	An on-going mixed development township	11 acres	Leasehold interest 99 years expiring on 1 January 2111	Property Development Project	-	Acquisition: SPA date – 21 June 2010	59,996,094
8.	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	56,198,573
9.	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	44,599,459
		Unsold units of Low-cost shop	846 sf each Total = 4,230 sf	Freehold/6	Vacant	5	-	422,507
		Unsold units of Low -cost apartment	650 sf each Total = 14,300 sf	Freehold/10	Vacant	20	-	760,000
								45,781,966
10.	A parcel of land held under Country Lease No. CL015026221 situated at Kg. Sinulihan Baru, off Jalan Tuaran, Inanam District of Kota Kinabalu, Sabah	Future mixed development	22.1 acres	Leasehold interest 999 years expiring on 13 September 2919	Vacant	-	Acquistion SPA date – 23 August 2012	44,886,162

ANALYSIS OF SHAREHOLDINGS
as at 29 March 2013

Authorised Share Capital as at 29 March 2013	:	RM1,100,000,000-00 divided into 2,000,000,000 ordinary shares of RM0.50 each and 1,000,000,000 preference shares of RM0.10 each
Total Issued Ordinary Shares	:	1,051,975,734 Ordinary Shares of RM0.50 each
Total Issued & Paid-up Share Capital	:	RM525,987,867.00

(A) ORDINARY SHARES AS AT 29 MARCH 2013

Total Issued Ordinary Shares : 1,051,975,734 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	1,911	19.13	101,954	0.01
100 -1,000	1,507	15.09	570,598	0.05
1,001 -10,000	4,305	43.09	15,779,490	1.50
10,001 and 100,000	1,800	18.02	49,458,855	4.70
100,001 to less than 5% of issued shares	463	4.63	590,669,736	56.15
5% and above of issued shares	4	0.04	395,395,101	37.59
Total	**9,990**	**100.00**	**1,051,975,734**	**100.00**

(2) Thirty Largest Shareholders

No.	Names	No. of Shares	%
1	WCT Capital Sdn Bhd	159,121,331	15.13
2	Citigroup Nominees (Tempatan) Sdn Bhd *(Employees Provident Fund Board)*	90,565,810	8.61
3	Lembaga Tabung Haji	86,527,805	8.22
4	Kumpulan Wang Persaraan (DiPerbadankan)	59,180,155	5.62
5	AmanahRaya Trustees Berhad *(Skim Amanah Saham Bumiputera)*	45,498,700	4.32
6	AMMB Nominees (Tempatan) Sdn Bhd *(AmBank (M) Berhad for WCT Capital Sdn Bhd (WCTCAP))*	36,075,000	3.43
7	AmanahRaya Trustees Berhad *(Amanah Saham Malaysia)*	26,535,675	2.52
8	HSBC Nominees (Asing) Sdn Bhd *(Exempt An for JPMorgan Chase Bank, National Association (Norges BK Lend))*	22,625,100	2.15

ANALYSIS OF SHAREHOLDINGS
as at 29 March 2013

(2) Thirty Largest Shareholders *cont'd*

No.	Names	No. of Shares	%
9	AmanahRaya Trustees Berhad *(Amanah Saham Wawasan 2020)*	16,001,200	1.52
10	Malaysia Nominees (Tempatan) Sendirian Berhad *(Great Eastern Life Assurance (Malaysia) Berhad (PAR 1))*	15,796,285	1.50
11	Valuecap Sdn Bhd	15,230,500	1.45
12	AmanahRaya Trustees Berhad *(Public Islamic Select Treasures Fund)*	13,290,780	1.26
13	Amsec Nominees (Tempatan) Sdn Bhd *(AmTrustee Berhad for CIMB Islamic Dali Equity Growth Fund (UT-CIMB-DALI))*	12,920,845	1.23
14	Cartaban Nominees (Asing) Sdn Bhd *(BBH (LUX) SCA for Fidelity Funds Asean)*	12,794,500	1.22
15	Maybank Nominees (Tempatan) Sdn Bhd *(Maybank Trustees Berhad for Public Ittikal Fund (N14011970240))*	12,500,000	1.19
16	Citigroup Nominees (Asing) Sdn Bhd *(CBNY for Dimensional Emerging Markets Value Fund)*	10,083,715	0.96
17	Citigroup Nominees (Tempatan) Sdn Bhd *(Employees Provident Fund Board (CIMB PRIN))*	8,834,950	0.84
18	Ara Holdings Sdn Bhd	7,607,721	0.72
19	Goh Chin Liong	6,817,238	0.65
20	Citigroup Nominees (Tempatan) Sdn Bhd *(Employees Provident Fund Board (HDBS))*	6,273,595	0.60
21	HSBC Nominees (Asing) Sdn Bhd *(Exempt An for JPMorgan Chase Bank, National Association (U.S.A.))*	6,188,500	0.59
22	Cartaban Nominees (Tempatan) Sdn Bhd *(Exempt An for EastSpring Investments Berhad)*	6,133,000	0.58
23	HSBC Nominees (Asing) Sdn Bhd *(Exempt An for JPMorgan Chase Bank, National Association (Norges BK))*	6,095,000	0.58
24	AmanahRaya Trustees Berhad *(Public Islamic Equity Fund)*	6,092,700	0.58
25	Malaysia Nominees (Tempatan) Sendirian Berhad *(Great Eastern Life Assurance (Malaysia) Berhad (PAR 3))*	5,165,110	0.49
26	Malaysia Nominees (Tempatan) Sendirian Berhad *(Great Eastern Life Assurance (Malaysia) Berhad (PAR 2))*	4,910,500	0.47
27	HSBC Nominees (Asing) Sdn Bhd *(Exempt An for JPMorgan Chase Bank, National Association (U.A.E.))*	4,899,000	0.47
28	HSBC Nominees (Asing) Sdn Bhd *(TNTC for the Caravel Fund (International) Ltd)*	4,519,500	0.43
29	Citigroup Nominees (Tempatan) Sdn Bhd *(Kumpulan Wang Persaraan (DiPerbadankan) (CIMB Equities))*	4,388,655	0.42
30	Citigroup Nominees (Asing) Sdn Bhd *(CBNY for DFA Emerging Markets Small Cap Series)*	4,321,940	0.41
		716,994,810	68.16

ANALYSIS OF SHAREHOLDINGS
as at 29 March 2013

(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	1,666,503	0.16	198,339,663[1]	18.85
Wong Sewe Wing	794,042	0.07	198,339,663[1]	18.85
WCT Capital Sdn Bhd	198,339,663	18.85	-	-
Cash Carat Sdn Bhd	-	-	198,339,663[2]	18.85
Employees Provident Fund Board	119,337,730	11.34	-	-
Kumpulan Wang Persaraan *(Diperbadankan)*	70,290,370	6.68	-	-
Lembaga Tabung Haji	90,253,635	8.58	-	-

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) WARRANTS 2008/2013 ("WARRANTS B") AS AT 29 MARCH 2013

Outstanding Warrants	:	40,279,906 Warrants
Issue Price	:	RM0.25 each
Exercise Price	:	RM1.85 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 B Holdings

Size of Warrants	No. of Warrants Holders	%	No. of Outstanding Warrants	%
Less than 100	34	4.08	1,087	0.00
100 -1,000	189	22.66	158,172	0.39
1,001 -10,000	360	43.17	1,802,485	4.48
10,001 and 100,000	191	22.90	6,305,460	15.66
100,001 to less than 5% of outstanding Warrants	59	7.07	22,477,303	55.80
5% and above of outstanding Warrants	1	0.12	9,535,399	23.67
Total	834	100.00	40,279,906	100.00

ANALYSIS OF SHAREHOLDINGS
as at 29 March 2013

(2) Thirty Largest Warrants B Holders

No.	Names	No. of Warrants	%
1	WCT Capital Sdn Bhd	9,535,399	23.67
2	Mercsec Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Tiong Nam Logistics Holdings Berhad)*	1,750,000	4.34
3	Maybank Nominees (Tempatan) Sdn Bhd *(Etiqa Insurance Berhad (Balance Fund))*	1,500,000	3.72
4	Taing Kim Hwa	1,377,263	3.42
5	Chin Chin Seong	1,136,500	2.82
6	Wang Sze Yao @ Wang Ming Way	1,010,500	2.51
7	Maybank Nominees (Tempatan) Sdn Bhd *(Maybank Trustees Berhad for CIMB-Principal Strategic Bond Fund (290077))*	969,900	2.41
8	Su Ming Keat	800,000	1.99
9	Lim Pei Tiam @ Liam Ahat Kiat	700,000	1.74
10	Mercsec Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for TNTT Realty Sdn Bhd)*	621,200	1.54
11	Maybank Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Lim Gim Leong)*	618,500	1.54
12	RHB Nominees (Tempatan) Sdn Bhd *(RHB Investment Management Sdn Bhd for Lee Yuen Chak (EPF))*	601,300	1.49
13	Wong Lim Fong	557,000	1.38
14	Citigroup Nominees (Asing) Sdn Bhd *(Exempt An for OCBC Securities Private Limited)*	502,666	1.25
15	RHB Capital Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Choong Foong Ming (CEB))*	500,000	1.24
16	Chin Chin Seong	500,000	1.24
17	CIMSEC Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Tai Sung Ping (SOLARIS-CL)*	463,000	1.15
18	Ma Pin Ling	460,300	1.14
19	Maybank Nominees (Tempatan) Sdn Bhd *(Lim Weng Jong)*	431,300	1.07
20	CIMSEC Nominees (Tempatan) Sdn Bhd (CIMB Bank for Chia Kwoon Meng (MM0678))	430,000	1.07
21	CIMSEC Nominees (Tempatan) Sdn Bhd *(CIMB for Steven Tan Chek Chye (PB))*	400,000	0.99
22	Public Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Chow Soong Ming (E-SS2))*	363,000	0.90
23	Cheah Saw Khim	300,000	0.74
24	Sentral Bina Jaya Sdn Bhd	300,000	0.74

ANALYSIS OF SHAREHOLDINGS
as at 29 March 2013

(2) Thirty Largest Warrants B Holders *cont'd*

No.	Names	No. of Warrants	%
25	HDM Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Chia Kwoon Meng (M02))*	300,000	0.74
26	Lee Men Leng	300,000	0.74
27	Koh Tai Tow @ Koh Hwa Boon	300,000	0.74
28	CIMSEC Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for James Andrew Chai (SOLARIS-CL))*	248,100	0.62
29	Loh Soh Ling	227,400	0.56
30	HDM Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Low Tian Chock (M09))*	224,000	0.56
		27,427,328	68.09

(C) WARRANTS 2011/2016 ("WARRANTS C") AS AT 29 March 2013

Outstanding Warrants	:	157,014,351 Warrants
Issue Price	:	RM0.34 each
Exercise Price	:	RM2.04 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 C Holdings

Size of Warrants	No. of Warrants Holders	%	No. of Outstanding Warrants	%
Less than 100	17	0.52	375	0.00
100 -1,000	991	30.01	511,372	0.33
1,001 -10,000	1,146	34.71	5,517,702	3.51
10,001 and 100,000	926	28.04	33,191,324	21.14
100,001 to less than 5% of outstanding Warrants	221	6.69	75,464,920	48.06
5% and above of outstanding Warrants	1	0.03	42,328,658	26.96
Total	3,302	100.00	157,014,351	100.00

ANALYSIS OF SHAREHOLDINGS
as at 29 March 2013

(2) Thirty Largest Warrants C Holders

No.	Names	No. of Warrants	%
1	WCT Capital Sdn Bhd	42,328,658	26.96
2	Chan Soon Huat	4,123,500	2.63
3	CIMSEC Nominees (Tempatan) Sdn Bhd *(CIMB Bank for Tan Seng Kow (MY0085))*	2,021,000	1.29
4	OSK Nominees (Tempatan) Sdn Berhad *(Pledged Securities Account for Wong Tow Fock)*	1,860,000	1.18
5	RHB Capital Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Gan Wan Koon)*	1,680,000	1.07
6	RHB Capital Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Lim Beng Teck (CEB))*	1,600,000	1.02
7	Maybank Securities Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Ong Fee Chong (REM 157-Margin))*	1,477,700	0.94
8	HDM Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Chia Kwoon Meng (M02))*	1,179,100	0.75
9	Wong Ying Ho	1,162,000	0.74
10	Maybank Securities Nominees (Asing) Sdn Bhd *(Maybank Kim Eng Securities Pte Ltd for Chumpon Chantharakulpongsa)*	1,150,000	0.73
11	Goh Chin Liong	1,100,000	0.70
12	Chan Hing	1,100,000	0.70
13	Malaysia Nominees (Tempatan) Sendirian Berhad *(Great Eastern Life Assurance (Malaysia) Berhad (PAR1))*	1,033,620	0.66
14	HDM Nominees (Tempatan) Sdn Bhd *(UOB Kay Hian Pte Ltd for Chen Joon Lee (MARGIN))*	1,000,000	0.64
15	Lim Chin Sean	1,000,000	0.64
16	Maybank Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Lim Gim Leong)*	941,100	0.60
17	Tan Kee Huah	840,000	0.53
18	Chin Swee Chew	822,600	0.52
19	Saw Teng Teng	800,000	0.51
20	Amsec Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Phang Swee Fun)*	786,098	0.50
21	Maybank Securities Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Lee Siu Wah (REM 181-Margin))*	734,800	0.47
22	Maybank Securities Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for EA Chaw Giap (Margin))*	689,900	0.44
23	CIMSEC Nominees (Tempatan) Sdn Bhd *(CIMB Bank for Yap Yee Wah (M79003))*	670,000	0.43
24	Lee Phaik Kooi	655,000	0.42

ANALYSIS OF SHAREHOLDINGS
as at 29 March 2013

(2) Thirty Largest Warrants C Holders *cont'd*

No.	Names	No. of Warrants	%
25	Leong Kok Onn	646,500	0.41
26	Lee Ah Beng	614,000	0.39
27	Ho Yin Keong	600,000	0.38
28	Amsec Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Parmjit Singh a/l Meva Singh)*	600,000	0.38
29	CIMSEC Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Chay Wai Ling (CURVE-CL))*	561,400	0.36
30	Chung Tze Ye	557,000	0.35
		74,333,976	47.34

(D) WARRANTS 2012/2017 ("WARRANTS D") AS AT 29 March 2013

Outstanding Warrants	:	164,563,457 Warrants
Issue Price	:	Bonus Issue
Exercise Price	:	RM2.25 per Ordinary Share
Exercise Ratio	:	One (1) Warrant is exercisable into one (1) new Ordinary Share
Expiry Date	:	11 December 2017
Voting Rights	:	One (1) vote for each Warrant held

(1) Analysis by size of Warrants D Holdings

Size of Warrants	No. of Warrants Holders	%	No. of Outstanding Warrants	%
Less than 100	2,784	30.86	50,759	0.03
100 -1,000	3,620	40.12	1,661,724	1.01
1,001 -10,000	1,914	21.22	6,482,722	3.94
10,001 and 100,000	526	5.83	18,885,765	11.48
100,001 to less than 5% of outstanding Warrants	177	1.96	98,418,494	59.80
5% and above of outstanding Warrants	1	0.01	39,063,993	23.74
Total	9,022	100.00	164,563,457	100.00

ANALYSIS OF SHAREHOLDINGS
as at 29 March 2013

(2) Thirty Largest Warrants D Holders

No.	Names	No. of Warrants	%
1	WCT Capital Sdn Bhd	39,063,993	23.74
2	Maybank Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Lim Gim Leong)*	7,893,000	4.80
3	Citigroup Nominees (Tempatan) Sdn Bhd *(Employees Provident Fund Board)*	6,363,215	3.87
4	Kumpulan Wang Persaraan (DiPerbadankan)	4,095,240	2.49
5	AmanahRaya Trusteed Berhad *(Skim Amanah Saham Bumiputera)*	3,887,840	2.36
6	Lim Ah Sin @ Lim Sing	3,500,000	2.13
7	Amsec Nominees (Tempatan) Sdn Bhd *(AmTrustee Berhad for CIMB Islamic Dali Equity Growth Fund (UT-CIMB-DALI))*	3,105,260	1.89
8	Lim Bee San	3,100,000	1.88
9	Wong Ah Kum	2,826,000	1.72
10	Malaysia Nominees (Tempatan) Sendirian Berhad *(Great Eastern Life Assurance (Malaysia) Berhad (PAR 1))*	2,747,180	1.67
11	AmanahRaya Trustees Berhad *(Public Islamic Select Treasures Fund)*	2,311,440	1.40
12	Goh Chin Liong	1,898,607	1.15
13	Ara Holdings Sdn Bhd	1,323,082	0.80
14	AMMB Nominees (Tempatan) Sdn Bhd *(AmBank (M) Berhad for WCT Capital Sdn Bhd (WCTCAP))*	1,300,000	0.79
15	Citigroup Nominees (Tempatan) Sdn Bhd *(Employees Provident Fund Board (HDBS))*	1,091,060	0.66
16	AmanahRaya Trustees Berhad *(Public Islamic Equity Fund)*	1,059,600	0.64
17	CIMSEC Nominees (Asing) Sdn Bhd *(Exempt An for CIMB Securities (Singapore) Pte Ltd (Retail Clients))*	1,030,641	0.63
18	Maybank Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Beh Chan Pin)*	1,030,000	0.63
19	HSBC Nominees (Asing) Sdn Bhd *(Exempt An for JPMorgan Chase Bank, National Association (U.S.A.))*	1,028,400	0.62
20	Choe Kai Keong	1,023,700	0.62
21	Maybank Nominees (Tempatan) Sdn Bhd *(Etiqa Takaful Berhad (Family PRF EQ))*	1,009,960	0.61
22	Chan Huater	1,000,000	0.61
23	Lim Teck Hee	1,000,000	0.61
24	Chin Swee Chew	960,000	0.58

ANALYSIS OF SHAREHOLDINGS
as at 29 March 2013

(2) Thirty Largest Warrants D Holders *cont'd*

No.	Names	No. of Warrants	%
25	Malaysia Nominees (Tempatan) Sendirian Berhad *(Great Eastern Life Assurance (Malaysia) Berhad (PAR 3))*	898,280	0.55
26	Malaysia Nominees (Tempatan) Sendirian Berhad *(Great Eastern Life Assurance (Malaysia) Berhad (PAR 2))*	854,000	0.52
27	HSBC Nominees (Asing) Sdn Bhd *(Exempt An for JPMorgan Chase Bank, National Association (U.A.E.))*	852,000	0.52
28	HSBC Nominees (Asing) Sdn Bhd *(TNTC for the Caravel Fund (International) Ltd*	786,000	0.48
29	Malaysia Nominees (Tempatan) Sendiran Berhad *(Great Eastern Life Assurance (Malaysia) Berhad (DR))*	720,380	0.44
30	Cartaban Nominees (Asing) Sdn Bhd *(BBH (LUX) SCA for Fidelity Funds Malaysia))*	700,460	0.42
		98,459,338	59.83

(E) STATEMENT OF DIRECTORS' INTERESTS IN THE SECURITIES OF THE COMPANY AS AT 29 MARCH 2013

(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	937,500	0.09	23,000[2]	0.002
Taing Kim Hwa	1,666,503	0.16	198,339,663[1]	18.85
Goh Chin Liong	6,817,238	0.65	-	-
Choe Kai Keong	3,146,753	0.30	-	-
Liang Kai Chong	3,898,953	0.37	234,023[2]	0.02
Choo Tak Woh	34,500	0.003	279,079[2]	0.03
Wong Yik Kae	41,105	0.004	-	-

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.*

ANALYSIS OF SHAREHOLDINGS
as at 29 March 2013

(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	
Director	**No. of Warrants**	**%**	**No. of Warrants**	**%**
Taing Kim Hwa	1,377,263	3.42	9,535,399[1]	23.67

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	
Director	**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	42,328,658[1]	26.96
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
Wong Yik Kae	5,000	0.003	40,000[2]	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.*

(4) Directors' Interests in Warrants 2012/2017
(In accordance with the Register maintained under Section 134 of the Companies Act, 1965)

	Direct Interest		Deemed Interest	
Director	**No. of Warrants**	**%**	**No. of Warrants**	**%**
Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid	240,000	0.15	4,000[2]	0.002
Taing Kim Hwa	415,649	0.25	41,860,660[1]	25.44
Goh Chin Liong	1,898,607	1.15	-	-
Choe Kai Keong	1,023,700	0.62	-	-
Liang Kai Chong	628,080	0.38	40,700[2]	0.02
Choo Tak Woh	-	-	54,623[2]	0.03
Wong Yik Kae	522,801	0.32	-	-

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 or child's direct interest in the Company.*

ANALYSIS OF SHAREHOLDINGS
as at 29 March 2013

(5) Directors' Interest in Options over Ordinary Shares

(In accordance with the Register of Options of Employees' Share Option Scheme maintained pursuant to the Companies Act, 1965)

Director	No. of Options Outstanding
Taing Kim Hwa	320,000
Wong Yik Kae	34,500

NOTICE OF THIRTY SECOND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty Second Annual General Meeting ("32nd 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, 15 May 2013 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 2012 and the Reports of the Directors and Auditors thereon.	***Resolution 1***
2.	To re-elect Mr Choe Kai Keong who retires in accordance with Article 65 of the Company's Articles of Association.	***Resolution 2***
3.	To re-elect Mr Liang Kai Chong who retires in accordance with Article 65 of the Company's Articles of Association.	***Resolution 3***
4.	To re-elect Mr Wong Yik Kae 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***

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 32nd AGM, the Company shall obtain a General Meeting Record of Depositors as at 8 May 2013 from Bursa Malaysia Depository Sdn Bhd in accordance with Article 44(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 32nd AGM.

By Order of the Board

LOH CHEE MUN
CHONG KIAN FAH
Company Secretaries

Selangor Darul Ehsan
23 April 2013

NOTICE OF THIRTY SECOND ANNUAL GENERAL MEETING

NOTES:

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.*

ADMINISTRATIVE DETAILS

Meeting	:	32nd Annual General Meeting ("AGM")
Date	:	Wednesday, 15 May 2013
Time	:	10.30 a.m.
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.

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.

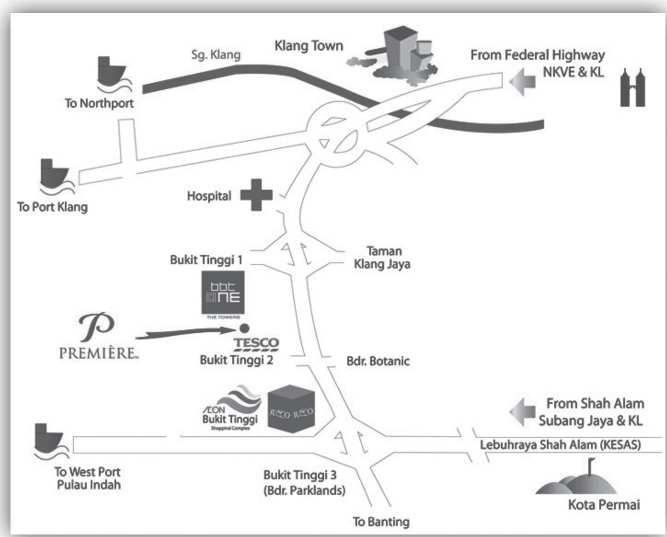
REFRESHMENTS

Light refreshment will be served before the commencement and upon the conclusion of the AGM at the foyer outside Ballroom 1 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 32nd AGM, the Company shall obtain a General Meeting Record of Depositors as at 8 May 2013 from Bursa Malaysia Depository Sdn Bhd in accordance with Article 44(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 32nd AGM.

LOCATION MAP TO PREMIÈRE HOTEL, KLANG



23 April 2013

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 Second 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, 15 May 2013 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 2012.		
2	Re-election of Mr Choe Kai Keong.		
3	Re-election of Mr Liang Kai Chong.		
4	Re-election of Mr Wong Yik Kae.		
5	Re-appointment of Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration.		

Dated this ____________ day of ______________ 2013

No. of ordinary shares held

____
Signature(s)/Common Seal of member(s)

Notes:-

1. *A member entitled to attend and vote at the meeting may appoint one (1) proxy to attend and vote on his/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.*

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

Double-Storey semi-detached house
Phase C4, Bandar Parklands, Klang, Selangor
Standard Lot Size : 40’ X 82’ / 40’ X 82.5’
Standard gross built-up area: from 3,517 sq.ft.

Oxalis, Semi-D

The Landmark at Bukit Tinggi 2, Klang

An integrated commercial development comprises 20-unit of 6-storey retail offices and 2-block of 9-storey commercial towers with 1-level of basement and 5-level of elevated car parks; connecting to AEON Bukit Tinggi Shopping Centre via a link bridge

33-Storey prime Corporate Office Tower for rent
Built to MSC Cybercentre Status specified accreditation
State-of-the art M&E Facilities and Security

The Ascent @ Paradigm Mall

Medini Signature, Tower 1 & Tower 2

Located at the heart of Iskandar Malaysia, Johor.
Total unit : 456 units
Built up ranges : 655 sq.ft. – 1950 sq.ft.

For further enquiries, please contact +603 3324 3255 (Ext. 602-606)