www.wct.com.my

WCT Holdings Berhad (930464-M)
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 Email: enquiries@wct.my

WCT Holdings Berhad (930464-M) • Annual Report 2014

WCT Holdings Berhad (930464-M)

ANNUAL REPORT 2014

BUILDING VALUES

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

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

Our Vision

We inspire and strive for excellence in areas of our expertise

& Mission

We deliver quality products and services beyond customer expectations

We develop, train and reward passionate and committed employees

We leverage on technology and innovation for greater efficiency and productivity

We deliver sustainable return to our shareholders

We contribute to the betterment of the community

We actively participate in the nation's social and economic objectives

Contents

Awards & Achievements

Industry Awards

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

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

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

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

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

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

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

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

Awarded by the Road Engineering Association of Malaysia

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

Awarded by Frost & Sullivan Malaysia

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

Awarded by TripAdvisor

9. Certificate of Excellence Award - 2013
   Première Hotel

Corporate Awards

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

3. **KLCC Group of Companies HSE Awards - 2011 & 2013**
   Contractor-Building & Infra Category
   Silver Award for Effective Health, Safety & Environment Management System - 2011
   Gold Award for Excellent Health, Safety & Environment Management System - 2013

4. **The Edge Billion Ringgit Club 2013**
   Construction Sector
   Second under the "Most Profitable Company" Segment
   Third under the "Best Performing Stock" Segment

ISO & OHSAS Certifications

QUALITY MANAGEMENT SYSTEM CERTIFICATIONS

ISO 9001 : 2008
Quality Management System for WCT Berhad (including WCT Construction Sdn Bhd)
Certification No. AR 2274

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

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

ENVIRONMENTAL MANAGEMENT SYSTEM CERTIFICATION

ISO 14001 : 2004
Environmental Management System for WCT Berhad (including WCT Construction Sdn Bhd)
Certification No. ER 0685

OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM CERTIFICATIONS

OHSAS 18001 : 2007
Occupational Health and Safety Management System for WCT Berhad (including WCT Construction Sdn Bhd)
Certification No. SR 0256

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

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

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

Core Businesses and Operating Units

ENGINEERING & CONSTRUCTION

MALAYSIA

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

OVERSEAS

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

Core Businesses & Operating Units

PROPERTY DEVELOPMENT

TOWNSHIP

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

COMMERCIAL

Platinum Meadow Sdn Bhd
Urban Courtyard Sdn Bhd
WCT OUG Development Sdn Bhd

LIFESTYLE

Atlanta Villa Sdn Bhd
Camellia Tropicana Sdn Bhd
One Medini Sdn Bhd
WCT Acres Sdn Bhd
WCT Realty Sdn Bhd
Pioneer Acres Sdn Bhd

Core Businesses and **Operating Units**

PROPERTY INVESTMENT & MANAGEMENT

CONCESSION

Segi Astana Sdn Bhd
Mapex Infrastructure Pvt Ltd (India)
Emas Expressway Pvt Ltd (India)

COMMERCIAL & RETAIL

BBT Mall Sdn Bhd
Jelas Puri Sdn Bhd
WCT Hartanah Jaya Sdn Bhd

HOSPITALITY

BBT Hotel Sdn Bhd

MANAGEMENT

Labur Bina Management Sdn Bhd
WCT Hotel & Facilities Management Sdn Bhd
WCT Property Management Sdn Bhd
WCT Malls 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
Wong Yik Kae

Independent Non-Executive Directors
Choo Tak Woh
Andrew Lim Cheong Seng

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

Engineering & Construction

WCT Berhad *(66538-K)*
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 9367

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

OVERSEAS CORPORATE OFFICES

Qatar

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

Vietnam

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
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603-7841 8000
Fax : +603-7841 8151/52
Helpdesk Tel : +603-7849 0777

AUDITORS

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

PRINCIPAL BANKERS

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

SOLICITORS

Adnan Sundra & Low
Anad & Noraini
CK Oon & Co.
Jeyaratnam & Chong
Kadir, Andri & Partners
Lee Hishammuddin Allen & Gledhill
Raja Darryl & Loh
Soon Gan Dion & Partners
Yip & Co.

STOCK EXCHANGE LISTING

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

WCT Group was first established with the incorporation of WCT Earthworks & Building Contractors Sdn Bhd on 14 January 1981 by Wong Chew Lai, Wong Sewe Wing, Chan Soon Huat and Taing Kim Hwa and subsequently changed to its current name, WCT Berhad ("WCTB"). WCTB 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. WCTB was listed on the Main Market of Bursa Securities and was one of the FBM100 Component Stocks before the WCT Group undertook an internal reorganisation in year 2013. Following the successful internal reorganisation of WCT Group on 8 July 2013, WCTB had transferred its listing status on the Main Market of Bursa Securities to WCT Holdings Berhad. Consequently, the WCT Group's various business operations have now come under WCT Holdings Berhad.

Corporate WCT Profile

WCT Holdings Berhad is an investment holding company with an investment in two main subsidiaries, WCTB and WCT Land Sdn Bhd. To date, the three core businesses of WCT Group are:-

Engineering and Construction - encompassing primarily the engineering works specialising in earthworks, construction of highways, building and related infrastructure works and provision of management services.

Property Development - encompassing primarily the development of residential properties, integrated townships and commercial properties.

Property Investment & Management - encompassing primarily the ownership and management of hotels, shopping malls and concession assets.

With a track record of nearly 34 years, WCT strongly believes in delivering product excellence and quality services in all our business ventures. To date, WCT has successfully completed and delivered more than 400 construction projects worth in excess of RM20.0 billion. WCT's scope of engineering and construction expertise covers:

- F1 racing circuits
- Airports
- Dams and Water Supply Schemes
- Iconic Infrastructures
- Expressways and Highways
- Civil Works
- Interior Fit-Out Works
- Buildings

The Group's property development and investment and management portfolio includes townships, luxury homes, high-rise residences, industrial properties, offices, integrated commercial developments, concessions, hotels and shopping malls. WCT is a reputable developer of three sustainable integrated townships in Bandar Bukit Tinggi known as BBT1, BBT2 and Bandar Parklands. Going beyond Klang, WCT has spread its wings to Kota Kinabalu, Sabah and Iskandar Malaysia, Johor with the successful launches of d'Banyan Residency @ Sutera at Kota Kinabalu and 1Medini and Medini Signature condominiums at Iskandar Malaysia. Since 1997, WCT has delivered in excess of 15,000 units of residential and commercial properties amounting to a Gross Development Value (GDV) of RM4.0 billion. WCT currently has a land bank of approximately 974.8 acres in Malaysia.

The Group owns and operates Première Hotel, Klang and owns 3 shopping malls – Bukit Tinggi Shopping Centre in Klang, Paradigm Mall in Petaling Jaya, and the integrated complex – gateway@klia2 in Sepang, Selangor. The modern gateway@klia2 is the Group's third retail project and is part of the long-term concession with Malaysia Airport Holdings Berhad. The Group's fourth shopping mall, Paradigm Mall in Johor Bahru is currently under development.

Our unwavering commitment to quality and excellence is reflected in all our developments, leading to numerous recognitions and accolades, locally and internationally. Notably, WCT has received local and international recognition, winning the International Achievement Award and Special Project Award from the Construction Industry Development Board of Malaysia (CIDB); 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, the Frost & Sullivan Excellence Award 2011 and KLCC Group of Companies HSE Awards 2011 & 2013 among others.

As we continue to grow our portfolio, we remain committed to staying true to our core values of **W**inning, **C**ommitment, **T**eamwork, **H**umility and **R**espect.

Corporate Diary 2014/2015

February 2014

- An Extraordinary General Meeting of WCT Holdings Berhad ("WCT") was held on 11 February 2014 in respect of the Share Buy-Back Authority.
- The management and staff of WCT Group gathered at the Group's maiden hotel, Première Hotel, Klang for its annual Chinese New Year Celebration. The lion dance troupe led the start of the event with an energetic performance, followed by the prosperity – 'yee sang' tossing session and dinner. The Group's Board of Directors and employees took the opportunity to network and foster closer ties with one another.

- Paradigm Mall together with AirAsia, hosted its first AirAsia Travel Fair at the Group's mall. With a participation of over 8 local and international tourism boards, the travel fair offered avid travellers thousands of attractive flight tickets and travel packages.

April 2014

- KLCC Group of Companies awarded WCT Berhad with the Gold Award - Excellent Health, Safety & Environment Management System 2013 in honour of the Group's excellent performance in the construction of the Ministry of International Trade and Industry building in Kuala Lumpur. This award further strengthens WCT Group's credibility and market position as one of the leading engineering and construction companies in Malaysia.

May 2014

- WCT Group's newest mall, gateway@klia2 opens its door to the public on 2 May 2014. Located between the drop-off point and the Main Airport Terminal, the 360,000 square feet airport-within-a-mall concept is open 24-hours a day. gateway@klia2 offers over 54 food & beverage outlets, 41 retail brands and 20 services & speciality stores. The mall is fully equipped with the Flight Information Display System (FIDS) to remind travellers about their flight times while shopping at the mall.

- Paradigm Mall celebrated its second anniversary in conjunction with the annual Paradigm In Style – Spring/Summer 2014 fashion event.

- Sale launch of 1Medini Garden Villas, a premier development in Iskandar Malaysia, Johor comprising 18 semi-detached exclusive villas located at the top of a commercial block.

Corporate Diary 2014/2015

- WCT's Third Annual General Meeting was held on 15 May 2014 at the Group's Première Hotel. All resolutions, including the Renewal of Share Buy-Back Authority were duly approved by the shareholders at the meeting.

- On 20 May 2014, WCT Group sealed its partnership with AirAsia BIG, a loyalty programme which allows patrons to earn BIG Points and redeem free flights from AirAsia as well as free stays at Tune Hotels.

- The inaugural Klang Première Century Ride (KPCR) event, which was held on 25 May 2014 and jointly organised by Première Hotel, Klang, sports organiser TriSportz Event Management and ALT Advantage, in collaboration with Police Diraja Malaysia, proved to be a hit among cyclists, with over 1,400 cyclists participating in the event.

June 2014

- WCT Land Sdn Bhd ("WCT Land") unveiled the new show apartments of its exclusive Skyz Jelutong Residences at Bukit Jelutong, Shah Alam.
- Prime Minister Dato' Sri Mohammad Najib Abdul Razak together with WCT's Board of Directors launched WCT Group's integrated complex, gateway@klia2 during the official launch of klia2 on 24 June 2014. A plaque signing ceremony was held to mark its official opening.

Corporate Diary 2014/2015

July 2014

- WCT Group secured a RM341.9 million contract from PETRONAS Refinery and Petrochemical Corporation Sdn Bhd to undertake the construction of access and permanent roads within the RAPID site at Pengerang, Johor.

August 2014

- In conjunction with the Hari Raya celebration, WCT Group's management team and staff gathered at the headquarters in Shah Alam for a delicious buffet lunch catered by Première Hotel. The festive spirit at the event was very much alive as staff donned their best festive outfits.

September 2014

- Riding on the resounding success of Paradigm Mall, WCT Land launched the residential tower, The Azure Residences, Paradigm.

- Home buyers and registrants of WCT Land were invited to a special preview of The Lead Residences, a 403-unit serviced residences development in Bandar Bukit Tinggi, Klang.

- WCT's first Property Showcase 2014 was held at Paradigm Mall on 27 & 28 September, 2014. The two day event showcased 10 signature properties including 6 brand new launches located in Klang Valley and Iskandar Malaysia, Johor.
- The Malaysia Breastfeeding & Natural Parenting Association awarded Paradigm Mall with the Top 15 Baby Friendly Shopping Malls Award under the Best Nursing Room 2014 category. The award was in recognition of the well-equipped nursing facilities provided at the mall.

Corporate Diary 2014/2015

October 2014

- The group's maiden hotel, Première Hotel, Klang celebrated its 4th anniversary.
- In support of the local sports community, Première Hotel, Klang announced its partnership with Klang United Badminton Club (KUBC) as the official Hospitality Sponsor throughout KUBC's participation in the KOPIKO Purple League – Malaysia's first professional badminton league.
- Awarded a contract worth RM651.6 million by Boustead Ikano Sdn Bhd for the construction of a major retail shopping centre with two levels of basement car parks, four levels of retail, food, beverage and entertainment, and four levels of elevated car parks along Jalan Cochrane, Kuala Lumpur.

January 2015

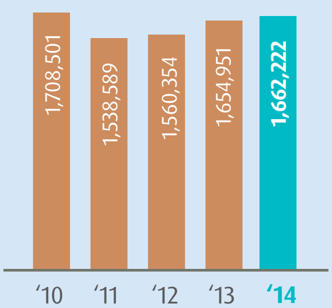
- A Management Signing Ceremony was held on 23 January 2015 in respect of the official appointment of New World Hotel Management Ltd as the exclusive manager and operator for the upcoming hotel at The Paradigm development, Petaling Jaya.

February 2015

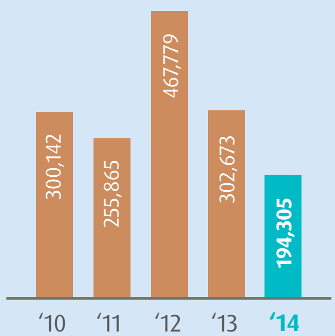
- WCT officially marked its presence in the southern region with a new 1,223 square metre property Show Village in Iskandar Malaysia, a one stop centre for customers to view show houses and make enquiries.

Financial **Highlights**

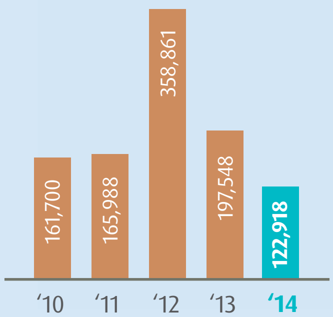
REVENUE
RM'000



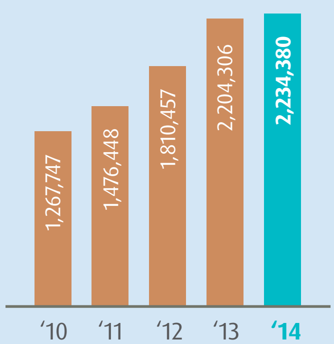
PROFIT FROM OPERATIONS
RM'000



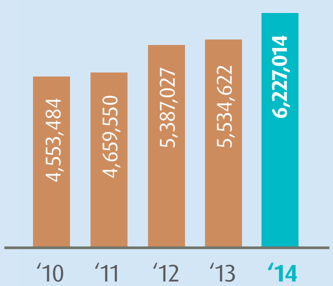
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY
RM'000



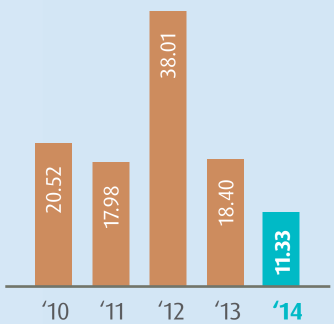
SHAREHOLDERS' FUND
RM'000



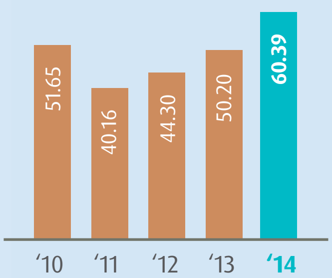
TOTAL ASSETS
RM'000



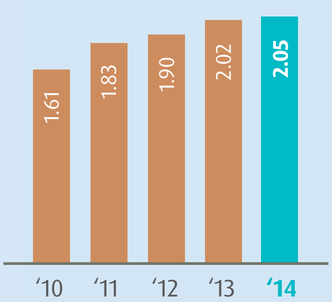
EARNINGS PER SHARE
SEN



DIVIDEND PAYOUT RATIO
%



NET ASSETS PER SHARE
RM



Financial Highlights

		31.12.2014 RM'000	31.12.2013 RM'000	31.12.2012 RM'000	Restated 31.12.2011 RM'000	Restated 31.12.2010 RM'000
Revenue						
Engineering and Construction		**1,210,582**	1,168,388	1,012,388	1,206,814	1,442,860
Property development		**391,722**	425,070	462,975	279,464	231,045
Property investment & management		**59,918**	61,493	84,991	52,311	34,596
Total revenue		**1,662,222**	1,654,951	1,560,354	1,538,589	1,708,501
Profit from operations						
Engineering and Construction		**85,786**	129,306	109,968	163,500	195,410
Property development		**73,529**	93,623	117,452	54,933	42,003
Property investment & management		**34,990**	79,744	240,359	37,432	62,729
Total profit from operation		**194,305**	302,673	467,779	255,865	300,142
Profit attributable to equity holders of the Company		**122,918**	197,548	358,861	165,988	161,700
Issued share capital		**546,276**	546,231	475,820	403,780	395,540
Shareholders' fund		**2,234,380**	2,204,306	1,810,457	1,476,448	1,267,747
Total assets		**6,227,014**	5,534,622	5,387,027	4,659,550	4,553,484
Earnings per share	Sen	**11.33**	18.40	38.01	17.98	20.52
Dividend payout ratio(1)	%	**60.39%**	50.20%	44.30%	40.16%	51.65%
Net assets per share	RM	**2.05**	2.02	1.90	1.83	1.61
Return on total assets	%	**1.94%**	3.43%	6.42%	3.57%	5.06%
Return on shareholders' fund	%	**5.50%**	8.96%	19.82%	11.24%	12.75%
Net gearing ratio	times	**0.65**	(2)0.39	0.40	0.34	0.30

Price Performance	2014 RM	(3)2013 RM	2012 RM	2011 RM	2010 RM
Ordinary Share					
High	**2.370**	2.74	2.80	3.63	3.31
Low	**1.380**	1.99	2.17	1.85	2.43
Close	**1.590**	2.05	(4)2.35	2.38	3.19
Warrant 2008/2013 (WCT-WB)(5)					
High	-	0.49	0.49	1.04	0.76
Low	-	0.25	0.14	0.22	0.39
Close	-	0.49	0.35	0.35	0.67

Price Performance	2014 RM	(3)2013 RM	2012 RM	2011 RM	2010 RM
Warrant 2013/2016 (WCT-WC)					
High	**0.465**	0.70	0.57	0.87	-
Low	**0.130**	0.34	0.37	0.36	-
Close	**0.200**	0.40	0.41	0.46	-
Warrants 2013/2017 (WCT-WD)					
High	**0.465**	0.65	0.50	-	-
Low	**0.180**	0.26	0.28	-	-
Close	**0.215**	0.38	0.29	-	-

Notes:

1. *Ratio excludes fair value gain of investment properties.*
2. *Ratio includes fixed deposits with unit trust.*
3. *The Securities Exchange and Transfer Listing made between WCT Berhad and WCT Holdings Berhad pursuant to a scheme of arrangement under Section 176 of the Companies Act, 1965 were completed during the financial year 2013.*
4. *Adjusted for the Bonus Issues of ordinary shares and WCT-WD.*
5. *WCT-WB had expired on 22 April 2013.*

Profile of **Directors**

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

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid, aged 65, was appointed to the Board on 30 May 2013. Dato' Ahmad Sufian was the Independent Non-Executive Chairman of WCT Berhad before the WCT Group undertook an Internal Restructuring exercise where WCT Berhad had ceased listing on the Main Market in July 2013. 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 in which he is the Independent Non-Executive Chairman of both GD Express Carrier Berhad and Malaysian Bulk Carriers Berhad and an Independent Non-Executive Director of PPB Group Berhad.

TAING KIM HWA*
Managing Director

Taing Kim Hwa, aged 61, was appointed to the Board on 5 December 2012. Mr Taing was the Managing Director of WCT Berhad before the WCT Group undertook an Internal Restructuring exercise where WCT Berhad had ceased listing on the Main Market in July 2013. He is one of the founders of WCT Group. 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 WCT Berhad from its early days as a private engineering company specialising in earthworks to its present form with interests in engineering, construction, property development, assets 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 various countries such as Qatar, Bahrain and the UAE in the Middle East.

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

GOH CHIN LIONG*
Deputy Managing Director

Goh Chin Liong, aged 55, was appointed to the Board on 21 January 2011. Mr Goh was the Deputy Managing Director of WCT Berhad before the WCT Group undertook an Internal Restructuring exercise where WCT Berhad had ceased listing on the Main Market in July 2013. A civil engineer by training, he graduated from the University of Malaya with a Bachelor in Engineering (Hons) Civil and has over twenty-six 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 of WCT Berhad in 1996 and became its Deputy Managing Director in July 2001, responsible for the Group's strategic business direction, operational performance, strategic management of the Group's resources as well as project cost efficiency and profitability.

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

CHOE KAI KEONG
Executive Director

Choe Kai Keong, aged 64, was appointed to the Board on 30 May 2013. Mr Choe was the Executive Director of WCT Berhad before the WCT Group undertook an Internal Restructuring exercise where WCT Berhad had ceased listing on the Main Market in July 2013. 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 of WCT Berhad 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 Berhad. 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 Berhad's Executive Director effective 14 April 2008, focusing on the operations of WCT Group's Property Division.

Mr Choe is a member of the Management Committee.

Profile of **Directors**

LIANG KAI CHONG
Executive Director

Liang Kai Chong, aged 53, was appointed to the Board on 21 January 2011. Mr Liang was the Executive Director of WCT Berhad before the WCT Group undertook an Internal Restructuring exercise where WCT Berhad had ceased listing on the Main Market in July 2013. 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-nine 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 of WCT Berhad 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.

WONG YIK KAE*
Executive Director

Wong Yik Kae, aged 37, was appointed to the Board on 30 May 2013 and subsequently redesignated as an Executive Director of the Company with effect from 1 December 2014. Mr Wong was the Non-Independent Non-Executive Director of WCT Berhad before the WCT Group undertook an Internal Restructuring exercise where WCT Berhad had ceased listing on the Main Market in July 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 Malaysian 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.

CHOO TAK WOH^

Independent Non-Executive Director

Choo Tak Woh, aged 64, was appointed to the Board on 30 May 2013. Mr Choo was the Independent Non-Executive Director of WCT Berhad before the WCT Group undertook an Internal Restructuring exercise where WCT Berhad had ceased listing on the Main Market in July 2013. 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 twenty-seven years 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.

ANDREW LIM CHEONG SENG

Independent Non-Executive Director

Andrew Lim Cheong Seng, aged 51, was appointed to the Board on 30 May 2013. Mr Lim was the Independent Non-Executive Director of WCT Berhad before the WCT Group undertook an Internal Restructuring exercise where WCT Berhad had ceased listing on the Main Market in July 2013. 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 Sdn Bhd (a stockbroking company subsequently acquired by Mayban Securities Sdn Bhd 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 Berhad 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.

Notes:

(1) All the Directors are Malaysian.

(2) Mr Wong Yik Kae, an 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.*

^ Denotes Directors who have served the Group as the Independent Non-Executive Directors for a cumulative term of more than 9 years.

Chairman's Statement

On behalf of the Board of Directors of WCT Holdings Berhad ("WCT"), I am pleased to present the Annual Report and Audited Financial Statements of the Group and the Company for the financial year ended 31 December 2014.

ECONOMIC OVERVIEW

Despite the global economy residing at a moderate growth in 2014, Malaysia's real gross domestic product (GDP) growth was registered at 6.0% (2013: 4.7%), placing Malaysia as one of the fastest growing economies in Asia. The economic development was primarily stimulated by the steady expansion in private domestic demand and supported by a significant improvement in net export activities.

Specifically, the construction sector continued to progress on a double digit rate and achieved a higher growth of 11.6% (2013: 10.9%). The robust growth was attributed mainly to the construction activities of premium property development in Johor, Klang Valley and Penang under the residential sub-sector, and commercial and industrial projects in the non-residential sub-sector. Additional support was provided from the existing and new infrastructure projects under the civil engineering sub-sector.

FINANCIAL REVIEW

For the financial year ended 31 December 2014, the Group recorded a net profit after taxation of RM122.9 million, as compared to RM197.5 million recorded in 2013. The decline in profit was mostly attributed to lower fair value gain of RM9.4 million (2013: RM43.7 million) on investment properties and the decrease in profit margins. Nonetheless, the Group's revenue of RM1,662.2 million represented a slight increase compared to the previous year's revenue of RM1,655.0 million.

The Engineering and Construction Division contributed approximately RM1,210.6 million or 73% of the Group's total revenue. The Engineering and Construction Division remains the backbone of the Group's revenue stream.

The Property Development and Investment & Management division contributed approximately RM108.5 million or 56% of the Group's operating profit. Moving forward, the Property Investment & Management division will be an essential component 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.


ALDAR

Chairman's **Statement**

CORPORATE DEVELOPMENTS

In 2014, all three divisions contributed substantially to the Group's earnings in accordance with their respective growth strategies.

During the financial year, the Group's Engineering and Construction division progressed well on the existing projects procured by the Group and witnessed the completion and handing over of WCT's first hospital construction project, Tuaran Hospital in Sabah. The division also commenced construction works on the Group's Property Development and Investment & Management projects, including Medini Signature development in Medini Iskandar Malaysia and Paradigm Johor Bahru in Jalan Skudai.

Apart from executing the internal construction works, the Group continued to bid for quality external construction projects and ended the year 2014 with RM993.5 million worth of new contracts in Malaysia. Additionally, in March 2015, the Group's 70:30 Joint Venture with Al-Ali Projects Co (W.L.L.) successfully secured a RM1.2 billion contract from Lusail Real Estate Development Company in Qatar.

Meanwhile, the Group's Property Development division successfully launched several projects mainly in Klang Valley. The notable launches were Laman Greenville, Bukit Tinggi Klang in February 2014, The Skyz Jelutong Residences, Bukit Jelutong Shah Alam in April 2014, 1Medini Garden Villas, Iskandar Malaysia Johor in May 2014, The Azure Residences, Paradigm Petaling Jaya in September 2014 and The Lead Residences, Bandar Bukit Tinggi 2 Klang in December 2014. For the year under review, the Group generated accumulated property sales of RM461.0 million, a slightly lower turnover from the 2013 property sales of RM500.0 million.

On 20 October 2014, Jubilant Courtyard Sdn Bhd entered into a conditional sale and purchase agreement to acquire 4 pieces of vacant freehold land in Bandar Serendah, Selangor for RM 115.4 million. The 220.7 acres of land increased the Group's existing 461.7 acres of Bandar Serendah land purchased in 2011 to 682.4 acres. The acquisition will enable the Group to further establish its position in property development through an integrated development.

May 2014 marked a new milestone for the Group's Property Investment & Management division with the successful opening of gateway@klia2 in Sepang. The modern gateway@klia2 is WCT Group's third retail project and is part of the long-term concession with Malaysia Airports Holdings Berhad. Built as a shopping mall with airport concept, it is uniquely located between the airport drop-off point and the Main Airport Terminal. The mall has approximately 360,000 sq. ft. of net lettable space spanning over 4 levels, a fully air-conditioned integrated transportation hub for taxis, KLIA Express/Transit, rented cars, buses and 5,600 parking bays.

The Group's Paradigm Mall in Kelana Jaya continues to be a thriving hub for shoppers with 12.5 million visitors patronising the mall since its opening in 2012. Additionally, according to industry data, the surrounding residential developments have seen an increase of approximately 20% to 74% in property values since the opening of the mall. Paradigm Mall is part of The Paradigm, a 14 acres and RM1.8 billion integrated commercial development that comprises The Ascent corporate office tower, The Azure Residences, upcoming New World Petaling Jaya Hotel with a banquet hall of 1,000 pax capacity, another 30-storey serviced residences and multi-storey car park. For the benefit of the visitors and surrounding community, Paradigm Mall enhanced the accessibility to the mall through convenient transportation services such as the Kelana Jaya LRT Station shuttle bus service, klia and klia2 Aerobus service and MyTeksi service with a dedicated kiosk at the Concierge Counter at Level Concourse.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

WCT KIDSS

In May 2014, the Group launched the second WCT Kids Sports School (WCT KIDSS) programme after a successful programme in 2013. WCT KIDSS is a community sports development programme fully-funded by WCT to create a platform for children aged 9 to 12 years old to stay healthy and develop their personalities through wholesome and structured activities that emphasise discipline, teamwork and respect with others. With a commitment of RM460,000 in 2014, WCT KIDSS offered two free programmes, WCT Football School and WCT Basketball School, both of which were conducted on weekends. CSR is an integral component of our business activities and consistent with the Group's support to the local sports community.

WCT Scholarship

In July 2012, WCT launched the WCT Scholarship Programme and disbursed scholarships to deserving high potential Malaysian students to continue their studies locally as well as providing them with employment and internship opportunities. The WCT Scholarship initiative is an annual affair and consistent with the Group's strong advocacy for education. Scholars have benefitted and are still benefitting from the scholarship.

WAY FORWARD

The local construction and infrastructure sector's outlook is set to remain challenging in 2015 due to the upcoming implementation of the goods and services tax (GST), tight fiscal budget measures and falling oil prices. The Group anticipates the completion of the following on-going engineering & construction projects by the second quarter of 2015: Tun Razak Exchange in Kuala Lumpur, Ministry of International Trade and Industry in Kuala Lumpur, PLUS Fourth Lane Widening Works at the Nilai & Seremban Expressway, Kota Kinabalu Medical Centre in Sabah and the Government Ministry Complex in Qatar. Moving forward, the Group will remain focused on its engineering & construction capabilities and will continue to enhance its order book by bidding for mega projects under the Government's Economic Transformation programme (ETP), upcoming 11th Malaysia Plan and other private sectors locally. On the global front, the Group's focus will be on projects in the Middle East, primarily in Qatar.

The Property Development division is expected to focus on its on-going developments. The targeted property launches include serviced residences at The Paradigm Petaling Jaya, semi-detached homes and bungalows at Inanam Sabah, apartments at Bandar Parklands and Bandar Bukit Tinggi and BRIO Residences at Paradigm Johor Bahru. The retail offices at the Volt Corporate Park in Medini Iskandar Malaysia will be open for registration. Additionally, The Ascent, a modern 32-storey Class A corporate office tower at The Paradigm in Petaling Jaya is set to open its doors in the second quarter of 2015.

For the longer term, we aim to leverage on our healthy balance sheet and acquire more quality land banks in growth corridors such as in the Klang Valley, Iskandar Malaysia, Penang and Kota Kinabalu to create a balanced Property Development profile with high-rise residential properties, luxury homes, contemporary offices and industrial developments.

Along with strong performance from the Property Development division, the Group aims to leverage on our core capabilities and further expand our consumer driven divisions in investment and management such as shopping malls and hotels to achieve a more diversified and recurrent income stream from the different businesses. The upcoming business hotel, New World Petaling Jaya Hotel at The Paradigm should come on-stream in the third quarter of 2016 and will greatly complement the Group's first integrated commercial development.

DIVIDENDS

A Single Tier Interim Dividend comprising the following have been paid and distributed to the shareholders in respect of the financial year ended 31 December 2014:-

(i) cash dividend of 1.25 sen per ordinary share of RM0.50 each paid on 10 October 2014; and

(ii) share dividend of one (1) Treasury Share for every one hundred (100) ordinary shares of RM0.50 each held via a distribution of Treasury Shares on 10 October 2014. Fractions of Treasury Shares were disregarded.

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 the light of our transformational plans.

ACKNOWLEDGEMENT

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

Dato' Capt. Ahmad Sufian
Chairman

10 April 2015

Managing Director's
Letter to Shareholders

Dear Valued Shareholders,

I am pleased to present to you the Group's overall results and achievements for Year 2014, followed by a more detailed outline of each of the Group's major component divisions' contribution to these results.

Managing Director's **Letter to Shareholders**

OVERVIEW

For the year 2014, WCT Group registered consolidated revenue of RM1,662.2 million while recording operating profits and net profits after tax of RM194.3 million and RM122.9 million, respectively.

The Engineering and Construction Division continues to be the main thrust of the Group's business activities. It contributed RM1,210.6 million or 73% of the Group's consolidated revenue. In terms of operating profits, it achieved RM85.8 million or 44% of the total operating profits of the Group.

Meanwhile, the Group's Property Development Division registered revenue of RM391.7 million or 24% of the Group's consolidated revenue. Operating profit was RM73.5 million or 38% of the Group's total operating profits.

Property Investment and Management contributes a recurring flow of income since 2008, derived mainly from rental income at Bukit Tinggi Shopping Mall. In 2014, total revenue from this segment amounted to RM59.9 million, registering an operating income of RM35.0 million or 18% of the Group's total operating profits.

ENGINEERING & CONSTRUCTION

For financial year 2014, the Group concentrated its efforts on the on-going engineering and construction projects that comprise the Putrajaya Commercial Office in Putrajaya, Tun Razak Exchange in Kuala Lumpur, Ministry of International Trade and Industry in Kuala Lumpur, PLUS Fourth Lane Widening Works at the Nilai & Seremban Expressway, Kota Kinabalu Medical Centre in Sabah, Government Ministry Complex in Qatar, The Paradigm Petaling Jaya, 1Medini and Medini Signature in Iskandar Malaysia and Paradigm Johor Bahru.

In terms of order book replenishment, WCT secured new contracts worth in aggregate RM993.5 million. In July 2014, the Group secured a RM341.9 million contract from Petronas Refinery and Petrochemical Corporation Sdn Bhd to undertake the construction of access and permanent roads within the RAPID site at Pengerang, Johor.

Following that, the Group was awarded a RM651.6 million contract by Boustead Ikano Sdn Bhd to construct a major retail shopping centre along Jalan Cochrane, Kuala Lumpur in October 2014. This development comprises two levels of basement car park, four levels of elevated car park and four levels of retail, food & beverage and entertainment areas.

In March 2015, the Group via its Joint Venture with Al-Ali Projects Co (W.L.L.) successfully clinched a QAR1.2 billion (approximately RM1.2 billion) contract for Lusail Development Project in Doha, Qatar. The exciting accomplishment boosted the team's spirit, teamwork and commitment to strive for even higher standards of excellence in areas of our expertise.

The Group's Engineering and Construction division will continue to drive the Group's activities through selective bidding for new contracts, in particular the Government's infrastructure and economic corridor projects, private sector projects as well as projects in Qatar, Middle East to further strengthen and to maintain a healthy and well balanced order book.

PROPERTY DEVELOPMENT

For the year under review, the Group's Property Development division recorded property sales of RM461.0 million, of which RM441.4 million was in Klang Valley and RM19.6 million in Iskandar Malaysia. The new properties comprised a diverse range of property types including semi-detached homes, bungalows and serviced residences.

Townships Development - Bandar Bukit Tinggi 1 & 2 (BBT) and Bandar Parklands, Klang

Launched in 1997, BBT is the Group's flagship property development in Klang South and has developed into a thriving integrated township in the Klang Valley. BBT of today is the residential, commercial and leisure hub of Klang with excellent road connectivity and numerous facilities and amenities, anchored by the presence of Première Hotel Klang, BBT_ONE The Towers offices, Bukit Tinggi Shopping Centre, national schools and two hypermarkets (Tesco and Giant).

The market demand for our freehold properties in the BBT townships remained strong. In 2014, the property sales recorded was RM343.8 million, derived mainly from the launch of The Lead Residences, Bandar Bukit Tinggi.

The 12-storey BBT_ONE continues to enjoy healthy occupancy including UTi Worldwide (M) Sdn Bhd, ECU Line (JB) Sdn Bhd, Tenaga Nasional Bhd (TNB), Employees Provident Fund Board (EPF), Standard Chartered Saadiq and Maybank. With its close proximity to the Klang port, BBT_ONE had received a healthy take-up from shipping and logistics companies that include Toll Group of Companies, DSV Air & Sea, Tuck Sun Logistic Group and Silverdew Sdn Bhd (a subsidiary of Hubline Berhad).

Located within the vicinity and adjacent to the Bukit Tinggi Shopping Centre is The Landmark at Bandar Bukit Tinggi. The 20-block Retail Offices, 2-block of Corporate Office Suites, 1-level of basement car parks and 5-levels of elevated car parks make up this commercial development. The take-up rate of the 6-storey Retail Offices is 83% while Tower A of the 9-storey Corporate Office Suites is 68% sold.

In September 2014, the Group launched The Lead, a freehold integrated development with a GDV of RM340 million. The 4-acre development, comprising 2-blocks of serviced residences, 2-levels of retail shops and 1-block of boutique hotel is directly linked to The Lead and the Bukit Tinggi Shopping Centre via 2 link bridges. All 42 units of the retail shops were fully sold and the serviced residences enjoyed a healthy take up rate of approximately 30% during the pre-sale.

Bandar Parklands continues to perform well with total sales to date of RM1.2 billion. The residential focused development of Bandar Parklands has materialised into a well planned township with excellent accessibility and attractive amenities.

To date, about 12,900 homes and 2,300 units of shop offices in both townships have been completed and released to satisfied home buyers and we expect to hand over 400 homes from the Bandar Parklands development to buyers in 2015.

Laman Greenville, Bukit Tinggi Klang

During the year under review, the Group introduced its latest luxury development, Laman Greenville to meet the demands of its discerning home buyers. Laman Greenville carries a GDV of RM520 million and sits on 56 acres of freehold land. It offers 266 units of luxury semi-detached and bungalow homes with built-ups ranging from 3,151 sq ft up to 4,874 sq ft. Scheduled to be completed in 2017, this gated and guarded, low-density development offers a residents only clubhouse with excellent amenities.

Skyz Jelutong, Bukit Jelutong Shah Alam

Skyz Jelutong marks WCT's first venture to Bukit Jelutong, a prestigious address in Shah Alam. Launched in April 2014, the 222 units of serviced residences will come complete with recreational facilities such as a 40-metre vanishing edge pool, lounge pool, wading pool, Jacuzzi, cabana, children playground, reflexology path, gym, multipurpose hall, function room, sky garden, event deck and BBQ corner. In addition, the 3-tier security system will provide residents with a secure and serene living experience.

The Paradigm, Petaling Jaya

The Paradigm is a 4-in-1 integrated commercial development comprising Paradigm Mall, The Ascent corporate office tower, The Azure Residences, upcoming New World Petaling Jaya Hotel with a banquet hall of 1,000 pax capacity, another 30-storey serviced residences and a multi-storey car park.

The Ascent is a 32-storey office tower built to MSC Cybercenter Status specified accreditation. This Class A office tower has a total net lettable area of 520,000 sq. ft. with units ranging from 5,000 sq. ft. to 18,000 sq. ft., one of the largest single office floor plate in Petaling Jaya. It is designed with a column free layout for design flexibility and state of the art mechanical and electrical features. This development is expected to open its doors in the second quarter of 2015. To date, the leasing team has successfully secured and pre-leased 30% of the total net lettable area. WCT Group and multi-national company, DKSH Malaysia Sdn Bhd are expected to house their headquarters at the modern office tower.

Managing Director's **Letter to Shareholders**

In January 2015, the Group appointed New World Hotels & Resorts to manage New World Petaling Jaya Hotel. The hotel is expected to open in the third quarter of 2016 with 318 guest rooms and suites, meeting rooms, a ballroom, restaurants, rooftop bar, outdoor rooftop pool and gymnasium.

Medini Iskandar Malaysia and Johor Bahru

1Medini Garden Villas is the Group's latest offering in Medini Iskandar Malaysia. Launched in May 2014, the 18-unit exclusive villas are located above 1Medini Hub and adjacent to the Group's first development in Iskandar Malaysia, the 1Medini Residences. The villas offer modern interior comfort as well as a thoughtfully-planned private outdoor garden.

The retail units at 1Medini Hub was officially occupied by WCT's Sales Gallery and office tenants in the first quarter of 2015. This will be followed by the official handover for 1Medini Residences and 1Medini Garden Villas in the second quarter of 2015. 1Medini Residences was launched in 2012 and was fully sold within the same year.

Moving forward, the Group is cautiously optimistic on the property market outlook in Iskandar Malaysia given the soft market conditions in 2014. The Group will closely monitor the market in 2015 for the right time to officially launch Volt Corporate Park, an integrated corporate development featuring 18.3 acres of retail offices, show rooms, corporate office tower, business suites, premium condominium, luxury hotel and a convention centre.

Beyond Medini, the Group's 12.4-acre Paradigm Johor Bahru development along Jalan Skudai commenced construction works in the first quarter of 2014. This integrated development consists of a 6-storey shopping mall, a 280-room luxury hotel and 263 units of serviced residences, BRIO Residences.

As part of the Group's long-term commitment to expand its presence in Iskandar Malaysia and Johor Bahru, a 1,223 square metre WCT Show Village was officially opened in February 2015. With a total of 5 show units featuring the Medini Signature and BRIO Residences development, the show village will serve as a one stop centre for customers to view the latest developments and make enquiries.

Notable Launches in 2015

The property development division has set-out the following upcoming launches:

1. Serviced residences at The Paradigm Petaling Jaya.

2. Semi-detached homes and bungalows at Inanam Sabah.

3. Apartments at Bandar Parklands and Bandar Bukit Tinggi.

4. BRIO Residences, Paradigm Johor Bahru.

5. The Volt Corporate Park, Medini, Iskandar Malaysia retail offices and show room.

PROPERTY INVESTMENT & MANAGEMENT

Hospitality

Première Hotel Klang is WCT's first foray into the hospitality business. The 250-room/suite business hotel is the proud recipient of the TripAdvisor 2013 Certificate of Excellence. The accolade, which honours hospitality excellence, is given only to establishments that consistently achieve outstanding traveller reviews on TripAdvisor and only the top-performing 10 per cent of businesses listed on TripAdvisor receive this prestigious award.

Also rated by TripAdvisor as the No. 1 hotel in Klang, the 4-star hotel has, up to the time of writing, averaged a 61% occupancy percentage at an average room rate of RM260 per day. Approximately 55% of room sales are attributed to corporate clients within a driving time of 30 minutes.

Shopping Malls

WCT's maiden retail project, Bukit Tinggi Shopping Centre with a lettable area of 1,000,000 sq. ft. and 5,000 car parks was opened in Klang South in 2007. The shopping centre is currently leased to AEON CO. (M) BHD. and provides a steady recurring income base to the Group.

Managing Director's **Letter to Shareholders**

Our Group's Paradigm Mall in Petaling Jaya has garnered strong and positive response since its opening in 2012. At the time of writing, 97% or 309 of 317 retail space are tenanted. The mall enjoys a strong average footfall of 36,000 on weekdays and 60,000 on weekends.

The Group's third retail venture in Malaysia, gateway@klia2 was officially opened in May 2014. The 4-level shopping mall is the "gateway" to the new KLIA2 airport. The mall currently enjoys 100,000 footfalls per day and approximately 80% of retail occupancy with 115 retail and F&B outlets.

Concessions

Currently, the Group holds two highway projects under Build-Operate-Transfer ("BOT") concessions. The concessions include the 64-km Panagarh-Palsit Expressway and Durgapur Expressway in West Bengal India. The construction works were completed in 2004 and the concession agreement began in 2002 and runs until 2019 and 2020 respectively. The concessions for both highways are paid on a semi-annuity basis by the National Highways Authority of India.

The Group's first concession in Malaysia, the KLIA2 Integrated Complex or gateway@klia2 successfully commenced business on 2 May 2014. The concession began in August 2011 and runs for 25 years with an option for WCT to extend for 10 more years.

GROWTH STRATEGIES

Moving forward, we will leverage on our sound financial and operational profile to broaden our earning base. The Group will continue to focus on three core and equally important business segments, namely;

1. Engineering and Construction.
2. Property Development.
3. Property 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 34 years' Engineering & Construction track record in iconic projects, our skilled and experienced human capital and our large fleet of plant and machinery;

b) Expand WCT's quality land bank aimed at creating a balanced Property Development profile with high-rise residential properties, luxury homes, contemporary offices and industrial developments;

c) Achieve growth in Ownership and Management of Commercial Properties to generate sustainable and recurrent income and maximise capital appreciation of investments;

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

e) Develop New Market Presence by seeking long term opportunities in ASEAN.

The Group will continue to adopt strict financial discipline and its conservative approach in doing business. We will remain selective in the contract bidding process and concentrate on construction projects that fit our core capabilities and strengths. We are committed to exercising prudent cost and cash flow management to ensure continued sustainable operational growth and maximising shareholders' returns. My team and I look forward to a successful 2015 and beyond.

Taing Kim Hwa
Managing Director

10 April 2015

Management **Committee**

GOH CHIN LIONG
Deputy Managing Director & Chairman of the Management Committee

CHOE KAI KEONG
Executive Director - Property

LIANG KAI CHONG
Executive Director - Engineering & Construction

WONG YIK KAE
Executive 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

KOH BOON TENG
General Manager - Sales & Marketing

WAN AHMAD SHUKRI BIN WAN DAUD
Project Director

MICHAEL LEE CHEE SEONG
Project Director

CHAN KEEN WAI
Project Director

LIM HANG YANG
General Manager - Technical

WONG CHEONG MING
General Manager - Contracts

CHONG WAH HING
General Manager - Development

VINCENT CHONG MIN FUI
General Manager - Shopping Complex

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 as well as to promote a healthy and well balanced lifestyle among the residents. In planning our townships, besides quality and aesthetic considerations, emphasis is also placed on greening the environment through beautifully landscaped parks complete with leisure amenities. 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 various business operations and project sites. Through the adoption of internationally recognized construction methodology and practices, the Group is making a conscious effort to ensure all construction waste is controlled, waste and its disposal is regulated or recycled.

The Group, in support of the local government's drive towards green buildings and technology, contributes to Malaysia's Green Objectives to reduce carbon footprint and one of its efforts include the adoption of green practices and solutions for the construction of the Ministry of International Trade and Industry building in Kuala Lumpur.

Our construction plant and machinery 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.

The Group various business operations have also adopted green initiatives under the Reduce, Reuse and Recycle (3R) program to ensure a continuous reduction of wastage and emissions.

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. With WCT Group's 34 years in existence, site safety regulations and procedures take precedence in its everyday operations. 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.

During the year 2014, a full-fledged safety campaign which involved site workers, employees and clients was conducted at the 1Medini, Iskandar Malaysia and Lot 2C5, Precinct 2 Putrajaya construction sites. Both campaigns included a comprehensive briefing and demonstration of good safety procedures to be practised in the event of an emergency situation.

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 employees 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. The SRC, which represented by the employees of WCT Group, has planned and organised a range of activities to foster a healthy spirit of competition, sportsmanship, teamwork and friendship among the employees.

Employee Welfare

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

COMMUNITY

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

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

During the year, WCT launched the second WCT Kids Sports School (KIDSS) program after a successful programme in 2013 as a way of giving back to the communities that have supported WCT Group. As sports unifies people from all walks of life and breaks down barriers of culture, race, gender and income levels, WCT aims to use sports, through WCT KIDSS, to impart WCT's core values in the local school children between the ages of 9 to 12 years old.

In our quest to develop young talents and provide educational opportunities, WCT, a strong advocate for education, offers scholarships to deserving high potential Malaysian students to continue their studies locally as well as provides them with employment and internship opportunities. The scholarships are awarded annually, both to the general public and the children of WCT employees.

Blood Donations Drive at Paradigm Mall and Première Hotel, Klang

8 & 28 April 2014

Paradigm Mall and Première Hotel collaborated with University Malaya Medical Centre, Kuala Lumpur and Tengku Ampuan Rahimah, Klang Hospital respectively to hold a blood donation drive. The one-day blood donation drive aims to gather donors and increase the country's blood bank levels. Members of the public and employees took their time off to participate in this meaningful community initiative.

WCT Reaches Out to the Community with WCT KIDSS

3 May 2014 – 22 November 2014

WCT Holdings Berhad ("WCT") launched the second WCT KIDSS programme after a successful programme in 2013, with over 300 children in OUG, Petaling Jaya, Shah Alam and Klang benefiting from this corporate social responsibility initiative.

The free weekly programme, in partnership with Frenz United Soccer School and All Star Basketball Academy, aims to give local school children between the ages of 9 to 12 years old the opportunities to grow through team sports such as football and basketball, learning WCT's core values – Winning, Commitment, Teamwork, Humility and Respect, developing athletic skills and being actively engaged.

Over 200 participants from four local communities took part in the WCT KIDSS Basketball and Football Challenge Cup 2014, which were held at SJKC La Salle, OUG on 16 November 2014 and Frenz United Football Academy, Kampung Janda Baik on 22 November 2014 respectively. The tournaments provided the participants an opportunity to showcase their skills and capabilities, while marking the end of the WCT KIDSS 2014 Programme.

Première Hotel Shows Gratitude to Cab Drivers

14 June 2014

As a way of thanking the cab drivers that chauffeur guests to and from the hotel, Première Hotel hosted a Taxi Appreciation Day and offered the drivers refreshments and goodie bags. The Appreciation Day was organised to establish a close relationship with the cab drivers and to build loyalty with the cab drivers.

No Excuse for Abuse!

27 June – 6 July 2014

In collaboration with Women's Aid Organisation, Paradigm Mall hosted the "Say No Through Art" campaign through an art installation to raise public awareness about domestic violence. The art showcased floating white dresses with "voices" of survivors meticulously hand-stitched in red thread. T-shirts with the message "Be it physical, verbal or emotional, there's "NoExcuseForAbuse" were also distributed to shoppers during the campaign.

Spreading Love in the Holy Month of Ramadhan

4 July 2014

In conjunction with the holy month of Ramadan, Première Hotel hosted a "Majlis Berbuka Puasa" for the management and patients of Hospital Tengku Ampuan Rahimah Klang at its Grand Ballroom. Over 350 guests attended the meaningful event including the evening's honourable guest - YAB Dato Seri Hilmi Hj Yahya, Deputy Minister of Health and underprivileged children from the Klang District.

Building Rapport through Bubur Lambuk Programme

5 July 2014

Première Hotel shared the joy of Ramadan by distributing 1,500 packs of free bubur lambuk to the hotel guests, mosques and residents of Taman Sri Andalas. The bubur lambuk preparation and distribution programme, with the participation of Taman Sri Andalas's neighbourhood watch aims to foster a closer rapport with the local community as well as to mark the Hari Raya celebrations.

Three Homes Received Proceeds from Book Sales

June & July 2014

WCT donated a total of RM15,690.80 to three beneficiaries of its CSR book sale programme, the 'Klang! In and Around The Royal Town'. In conjunction with the proceeds distribution, Première Hotel hosted a Buka Puasa celebration for the children of Good Samaritan Home and Persatuan Kebajikan Anak Yatim & Miskin Al-Munirah. On a separate occasion, Première Hotel's management and staff visited the residents of Pusat Rumah Warga Emas and handed over the donation cheque.

Hotel and Mall Treat Needy Families

12 July 2014

Paradigm Mall and Première Hotel jointly organised a two-day charity event for 6 underprivileged families from TV3's Tabung Bersamamu programme. The families were treated to some Raya shopping at the respective sponsors' outlets in the mall and thereafter a Buka Puasa celebration and hotel stay at Première Hotel. The volunteers from Zon 22 resident association also joined the initiative by cooking bubur lambuk for sale at Paradigm Mall.

WCT Participated in Third Rat Race

23 September 2014

WCT did its part for charity again by participating in The Edge Kuala Lumpur Rat Race 2014. The event was a great opportunity for employees to play their roles as corporate social responsibility citizens, whilst portraying a positive image for the Company.

Customer Service Week

10 October 2014

In conjunction with the Customer Service week at Première Hotel, Department Heads recognised the dedication and contribution of employees by switching roles and serving up a delicious lunch to over 200 employees. The atmosphere was an uplifting and happy one as employees delighted in the food and top-notch treatment.

Christmas with Good Samaritan Home

15 December 2014

Première Hotel hosted a Christmas party for the children of Good Samaritan Home. The children performed in a carolling session and were treated to a christmas lunch, games session and party packs.

Hospital Tengku Ampuan Rahimah Pediatric Ward Visit

24 December 2014

The associates of Première Hotel visited Hospital Tengku Ampuan Rahimah Pediatric Ward on Christmas Eve to distribute gifts as well as to show support and encouragement to the young patients.

WCT Sports Competitions 2014

WCT Sports & Recreation Committee had organised the following sport competitions with the aim to promote employees' work-life balance, healthy lifestyle and team building. Employees from various divisions of WCT Group had participated in the sport competitions to support these fun and exciting initiatives.

(i) WCT Bowling Competition - 1 June 2014

(ii) WCT Badminton Competition - 10 & 17 August 2014

(iii) WCT Futsal Tournament - 7 December 2014

Statement on **Corporate Governance**

The Board of Directors of WCT Holdings 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.

ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

➢ *ROLES AND RESPONSIBILITIES*

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
- Identifying principal risk and implement appropriate internal control system
- Acquisition and divestment policy
- Major investment decisions

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 supported by the Executive Directors and the Management, whose responsibility is to implement WCT Group's strategy and manage the operation of the Group, subject to an agreed authority limit.

Where appropriate, matters have been delegated to the following 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 Committees meetings:

(1) Audit Committee
(2) Nomination and Remuneration Committee
(3) Options Committee

The Board Charter which set out the roles, responsibilities, functions, compositions, processes and operations of the Board as well as those functions delegated to the Board Committees and the Management of WCT Group has been adopted by the Board to guide the Board in the effective discharge of its roles and responsibilities.

The Board Charter, which shall be reviewed and updated periodically by the Board, is made available for reference in the Company's website at (www.wct.com.my).

Statement on **Corporate Governance**

- *BOARD COMPOSITION AND BALANCE*

The Board currently comprises eight (8) members, five (5) of whom are Executive Directors and the remaining three (3) are Independent Non-Executive Directors following the redesignation of Mr Wong Yik Kae as an Executive Director of the Company with effect from 1 December 2014. Each Director's brief profile is presented under the section titled "Profile of Directors" of this Annual Report.

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 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.

- *CODE OF CONDUCT*

The Board observes the Code of Ethics of the Malaysian Companies Act, 1965 and the Code of Ethics for the Company Director issued by the Companies Commission of Malaysia ("Regulatory Code of Ethics").

The Regulatory Code of Ethics provides the ground rules and guidance for proper standard of conduct and ethical behaviour for the Board, based on the principles of sincerity, integrity, responsibility and corporate social responsibility.

WCT Group has adopted a standard minimum Code of Conduct and Ethics ("WCT Code of Ethics") relating to its business operations for all its employees. New Employees are briefed on the WCT Code of Ethics upon joining and are required to acknowledge in writing their acceptance and understanding thereof.

- *SUSTAINABILITY*

The Company is committed to deliver long-term sustainable values to the stakeholders of the Company. The Company's employees' welfare, workplace, 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.

- *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, which shall be provided to the Board on timely basis, 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 Secretary will also brief the Board on the proposed contents and timing of the material announcement to be released to Bursa Securities.

The Directors have full and unrestricted 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.

STRENGTHEN COMPOSITION

- *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.

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 and evaluate the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual director as well as the independence of the Independent Directors, through an annual evaluation process;
(f) Review annually the required mix of skills, experience and other qualities including core competencies which each director should bring to the Board; and
(g) Ensure that all reviews, assessments and evaluations are properly documented.

The NRC meets at least once a year and whenever required. In 2014, three (3) 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	3/3
Choo Tak Woh	3/3
Andrew Lim Cheong Seng	3/3

During the financial year, the NRC reviewed the re-election of six (6) directors retiring by rotation at the Third Annual General Meeting, the employment contract for the Managing Director of the Company, the annual increment and bonuses of all executive directors, the annual assessment and evaluation of the Board as a whole, committees of the Board, the individual directors and the independence of the Independent 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.

➢ *APPOINTMENTS AND RE-ELECTIONS TO THE BOARD*

The NRC is responsible for assessing and making recommendations on any new appointments to the Board. In making these recommendations, the NRC considers the required mix of skills, knowledge and professional 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.

The Articles of Association ("AA") of the Company provides that the number of directors of the Company shall not be less than three (3) and not more than twenty (20). The Board has the power under the AA to appoint a director from time to time either to fill a casual vacancy or as an additional director. Article 75 of the Company's AA provided that any director so appointed shall hold office only until the next following Annual General Meeting ("AGM") and shall then be eligible for re-election at the AGM.

For the re-election of Directors, Article 70 of the Company's AA requires that the number of Directors nearest to, but not greater than one-third retire by rotation each year and being eligible, may offer themselves for re-election at the AGM. The Directors required to retire are those who have been longest in office since their last election. In addition, all the directors are required to retire from office once at least every three (3) years but shall be eligible for re-election.

The Directors who are seeking for re-election at the forthcoming Fourth AGM are stated in the notice of AGM. The NRC had assessed the performance of these Directors and recommended to the Board for their re-election to be tabled for shareholders' approval at the forthcoming Fourth AGM.

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.

Currently, the Board has yet to establish a policy or set any target on boardroom gender diversity including the diversity in ethnicity and age. The Board is of the view that the selection and appointment of new board member shall take into the consideration of the required mix of skill, knowledge and professional experience which the new director should bring to the Company and are not driven by any gender or racial bias.

- *BOARD EVALUATION*

The NRC has reviewed and adopted the criteria used for the annual assessment and evaluation of the individual director, the Board as a whole, Board Committees as well as the independence assessment of Independent Directors.

Each Director is required to review and appraise himself and the Board and/or the respective Committees of which he is a member based on the criteria as set out in the evaluation form. From the results, the NRC will draw conclusions on the Board's and Committees' effectiveness in discharging their duties and responsibilities. The results and conclusions will be escalated to the Board.

The annual review and evaluation of the Board as a whole, the Board Committees and the individual directors for year 2014 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.

- *DIRECTORS' REMUNERATION*

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

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

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

Generally, salaries are established in accordance with each Executive Director's level of responsibility and experience, having taken into account the remuneration and employment conditions within the construction and property industries. Long-term incentives are implemented through share-based schemes to align the Executive Directors' interest more closely to those of the shareholders.

The NRC also reviews and recommends for the Board's approval all other Directors' fees. In addition, the Company reimburses reasonable expenses incurred by these Directors in the course of their duties as Directors. Besides meeting attendance allowance, Independent Non-Executive Directors who are members of Board Committees are also paid committee fees.

- *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 2014 are as follows:-

	Directors' Fees (RM)	Salaries, Allowance & Other Emoluments (RM)	Benefits-in-kind & Perquisites (RM)	EPF (RM)	Total (RM)
Executive Directors	108,000	6,605,000	193,945	792,600	7,699,545
Non-Executive Directors	156,000	591,200	48,730	55,584	851,514
Total	**264,000**	**7,196,200**	**242,675**	**848,184**	**8,551,059**

(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**
RM50,001 to RM100,000	-	2
RM150,001 to RM200,000	-	1
RM500,001 to RM550,000	-	1
RM1,000,001 to RM1,050,000	1	-
RM1,050,001 to RM1,100,000	1	-
RM2,000,001 to RM2,050,000	1	-
RM3,500,001 to RM3,550,000	1	-
Total	**4**	**4**

➢ *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.

➢ *OPTIONS COMMITTEE*

An Options Committee has been established to administer the Company's Employees' Share Options Scheme 2013/2023 ("Scheme"), in accordance with the objectives and regulations thereof and to determine participation eligibility, option offers and share allocations and to attend to such other matters as may be required subject to the Scheme's Bye-Laws. The 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 2014, one (1) meeting was held.

REINFORCE INDEPENDENCE

➢ *ASSESSMENT OF INDEPENDENT DIRECTORS*

The Board acknowledges the importance of independence and objectivity in decision-making process. Assessment on the independence of the Company's Independent Directors shall be taken annually, prior to any new appointment and when there is any new interest or relationship develops between the Independent Director and the Company.

The NRC reviews the independence of Directors in accordance with the criteria on independence as stipulated in the MMLR and Practice Notes of Bursa Securities as well as the Code. The Independent Directors were also assessed on their ability and commitment to continue to bring independent and objective judgement to the deliberation and decision making of the Board and Board committees.

The Board and the NRC have upon their annual assessment, satisfied that all the three (3) Independent Directors of the Company continue to demonstrate behaviours that reflect their independence and also in compliance with the definition of "Independent Director" under the MMLR of Bursa Securities.

➢ *TENURE OF INDEPENDENT DIRECTORS*

The Board noted and support the recommendation of the Code on the tenure of an Independent Director should not exceed a consecutive or a cumulative term of nine (9) years. However, the Directors may, subject to the assessment and the shareholders' approval on an annual basis, retain an Independent Director who has served more than nine (9) years continue to serve as an Independent Director of the Company.

Currently, Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid ("Dato' Sufian") and Mr Choo Tak Woh ("Mr Choo"), both appointed as the Independent Non-Executive Directors of the Company on 30 May 2013, have served WCT Group in the same capacity for a cumulative term of more than nine (9) years. Nevertheless, the NRC and the Board, having considered the results of the annual assessment conducted, are satisfied that both Dato' Sufian and Mr Choo meet the guidelines for independence and remain objective and independent in participating in the deliberation and decision making of the Board and Board Committee.

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 as well as their ability to act in the best interest of the Company and to safeguard the interest of the Company's shareholders. In addition, there are significant advantages to be gained from the long-serving Independent Directors who possess greater insights and knowledge of the Company's business and strategies.

In view of the above, the Board recommends and supports the retention of Dato' Sufian and Mr Choo to continue serving as the Independent Non-Executive Directors of the Company and the said recommendation will be tabled for shareholders' approval at the forthcoming Fourth AGM of the Company in compliance with the Code.

➢ *CLEAR DIVISION OF RESPONSIBILITIES BETWEEN THE CHAIRMAN AND THE MANAGING DIRECTOR*

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.

Dato' Sufian, the Chairman of the Company, is an Independent Non-Executive Director and has not held any executive position in the Group. Dato' Sufian is responsible for ensuring the Board's effectiveness and conduct as well as facilitating constructive deliberation of all matters presented.

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

FOSTER COMMITMENT

➢ *COMMITMENT OF THE BOARD*

The Board is satisfied 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 four (4) directorships in public listed companies, all other Directors are holding only one (1) directorship in public listed company, i.e. WCT.

As provided in the Board Charter, the members of the Board shall notify the Chairman before accepting any new directorship and shall include an indication of time that will spent on the new appointment. The Chairman shall notify the Board before he accepts any new directorship in other public listed company.

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.

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 2014, a total of four (4) meetings were held and 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	4/4
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	3/4
Wong Yik Kae	4/4

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

➢ *DIRECTORS' CONTINUING 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.

Besides the annual assessment conducted to assess the training needs of its Directors, each Director is required to identify any appropriate training that will enhance their effectiveness in discharging their duties as directors. The Company Secretary facilitates the organisation of the in-house training programme and the registration of external training programmes and seminars, if needed.

During the year, all the Directors of WCT had attended the following in-house training programme which was organised for the Directors and senior management of WCT Group:-

- Managing Risk Management Challenges to Deliver Sustainable Performance (5 August 2014)

In addition to the above in-house training programme, the following Directors have also attended the following external seminars/conferences:-

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid*
- The Malaysia Goods and Services Tax (21 May 2014)
- Update on Goods and Services Tax, Risk-based Internal Audit and The Board's Responsibilities on Risk Management (2 October 2014)
- Briefing on Audit Committee Guidelines (1 December 2014)

Choo Tak Woh*
- Nominating Committee Programme 2 : Effective Board Evaluation (9 October 2014)
- Recent Developments in Selected Malaysian Financial Reporting Standards (MFRSs): Effective 2012 to 2015 (14 & 15 October 2014)

Wong Yik Kae
- GST Series for Specific Industries – Workshop 1: GST Impact on Property Developers, Construction and its Related Services (23 October 2014)

* *Denotes a member of the Audit Committee*

Statement on **Corporate Governance**

UPHOLD INTEGRITY IN FINANCIAL REPORTING

➢ *FINANCIAL REPORTING*

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

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

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

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

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

The Directors consider that in preparing the financial statements,

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

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

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

➢ *SUITABILITY AND INDEPENDENCE OF EXTERNAL AUDITORS*

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

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

The Audit Committee has obtained confirmation from the external Auditors that they are and have been independent throughout the conduct of the audit engagement 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.

RECOGNISE AND MANAGE RISKS

- *SOUND FRAMEWORK TO MANAGE RISKS*

  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 Risk Management and Internal Control set out in this Annual Report.

- *INTERNAL AUDIT FUNCTION*

  The internal audit function of WCT Group is carried out by the Group Internal Audit Department ("GIA") which reports directly to the Audit Committee. The role of the GIA is to provide independent and objective reports on the organisation's management records, accounting policies and controls to the Audit Committee. Further details of the internal audit function and the activities are set out in the Audit Committee Report of this Annual Report.

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 that comply with the disclosure requirements set out in the MMLR of Bursa Securities as well as to 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.

STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

- *THE ANNUAL GENERAL MEETING*

  The Annual General Meeting is used 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.

  The Board encourages poll voting by informing the shareholders of their right to demand for a poll at the commencement of the meeting.

- *EFFECTIVE COMMUNICATION AND PROACTIVE ENGAGEMENTS WITH SHAREHOLDERS*

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 shareholders and 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.

Shareholders and stakeholders may convey their concern to Mr Choo Tak Woh, the Company's Senior Independent Non-Executive Director, who serves as a point of contact for shareholders and other stakeholders.

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.

Below is a summary of the investor relations activities undertaken in the financial year 2014:-

	Total
Meetings/Conference Calls with investors, analysts and fund managers	30
Investors briefings	4
Regional investors road shows/conferences	3
Press conferences/interviews	1

- 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:-

  Ms Tai Chee Hoon
  Corporate & Finance Department
  Tel: +603 7805 2266
  Email: chee-hoon.tai@wct.my

  Mr Andy Ng Men Jun
  Corporate & Finance Department
  Tel: +603 7805 2266
  Email: andy.ng@wct.my

(This Statement on Corporate Governance has been approved by the Board of Directors via a resolution dated 6 April 2015)

Other **Disclosures**

The following disclosures in respect of the financial year ended 31 December 2014 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 2014.

2. Share Buy-back

The details of the shares purchased during the financial year ended 31 December 2014 are as follows:

Month/2014	No. of ordinary shares of RM0.50 each purchased	Lowest purchase price per share (RM)	Highest purchase price per share (RM)	Average purchase price paid per share (RM)	Total purchase consideration (RM)
February	250,000	2.02	2.02	2.02	505,856.50
March	4,545,300	2.05	2.17	2.10	9,548,915.84
April	935,800	2.17	2.26	2.23	2,085,730.82
May	3,275,800	2.15	2.26	2.20	7,195,260.26
June	758,300	2.16	2.25	2.21	1,679,216.53
July	677,200	2.15	2.16	2.16	1,464,289.07
August	629,200	2.26	2.30	2.29	1,442,419.32
September	511,400	2.08	2.14	2.12	1,083,119.53
October	2,082,200	2.02	2.17	2.09	4,360,803.71
November	3,686,500	1.85	2.13	1.98	7,284,382.12
December	8,424,100	1.45	1.83	1.65	13,937,437.65
Total:	**25,775,800**				**50,587,431.35**

The share buy-back transactions were financed by internally generated funds. The purchased shares are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

The Company had on 10 October 2014 distributed a total of 10,809,930 treasury shares as single tier share dividend to its shareholders on the basis of one (1) treasury share for every one hundred (100) ordinary shares of RM0.50 each held in the Company as at the entitlement date on 15 September 2014.

As at 31 December 2014, a total of 14,965,870 treasury shares were held by the Company and none of the treasury shares held were resold or cancelled during the financial year.

3. Exercise of Options and Warrants

During the financial year ended 31 December 2014, the following quantum were exercised and converted into ordinary shares:

(i) 13,152 ordinary shares of RM0.50 each were issued arising from the exercise of 13,152 Warrants 2013/2016;

(ii) 3,297 ordinary shares of RM0.50 each were issued arising from the exercise of 3,297 Warrants 2013/2017; and

(iii) 73,000 ordinary shares of RM0.50 each were issued arising from the exercise of 73,000 options granted to employees pursuant to the Employees' Share Options Scheme (2013/2023).

4. Information in relation to Employees' Share Options Scheme

(i) The Employees' Share Option Scheme ("ESOS") (2013/2023) which established and implemented on 19 July 2013, is the only share scheme in existence during the financial year ended 31 December 2014.

(ii) During the financial year, a total of 10,291,000 options had been offered and granted to the eligible employees (including 1,928,000 options granted to the Directors) of the Company at an exercise price of RM2.05, out of which 8,000 options over ordinary shares were exercised pursuant to the ESOS 2013/2023.

The total number of options granted, exercised and outstanding under the ESOS (2013/2023) since its commencement up to 31 December 2014 are as set out in the table below:

Description	Number of Options (Since commencement up to 31 December 2014)	
	Grand Total	Directors
(a) Granted	*20,291,000	3,848,000
(b) Exercised	197,000	0
(c) Outstanding	19,094,000	3,848,000

* *including forfeited options and options being rejected by the employees*

(iii) Percentages of options applicable to Directors and Senior Management under the ESOS (2013/2023):

Directors and Senior Management	FYE 2014	Since commencement up to 31 December 2014
(a) Aggregate maximum allocation	28.57%	28.88%
(b) Actual granted	26.82%	27.07%

(iv) The table below sets out the options offered to and exercised by the Non-Executive Directors of the Company pursuant to ESOS (2013/2023) as well as their outstanding options in respect of the financial year ended 31 December 2014:

	Options over Ordinary Shares of RM0.50 each			
Name of Director	**Balance as at 01.01.2014**	**Number of Options Granted**	**Number of Options Exercised**	**Balance as at 31.12.2014**
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	50,000	50,000	0	100,000
Choo Tak Woh	30,000	30,000	0	60,000
Andrew Lim Cheong Seng	20,000	23,000	0	43,000
Wong Yik Kae	70,000	*75,000	0	145,000

* *Options was granted prior to Mr Wong's redesignation as Executive Director with effect from 1 December 2014.*

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 for the financial year ended 31 December 2014 was RM170,000.00.

7. Depository Receipt Programme

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

8. Variation in Results

The Company does not have any variation of results.

9. Profit Guarantee

There were no profit guarantees given by the Company for the financial year 2014.

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) of Chapter 10 of the Main Market Listing Requirements of Bursa Securities in year 2014.

Statement on Risk Management **and Internal Control**

Introduction

The Malaysian Code on Corporate Governance 2012 requires the Board of Directors of listed companies to establish a sound risk management framework and internal control system to safeguard shareholders' investment and the company's assets. Under paragraph 15.26(b) of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements, the Board of Directors of listed companies is required to produce a statement on the state of the Companies' internal control as a group. In this regards, the Board of Directors ("Board") of WCT Holdings Berhad ("WCT") is pleased to set out below the Statement of Risk Management and Internal Control for WCT, its subsidiary companies, and jointly-controlled entities and associated companies (as applicable) ("the Group").

Board Responsibility

The Board has overall responsibility for the Group's system of internal control and for reviewing its effectiveness, adequacy and integrity whilst the role of management is to implement Board's policies on risk and control. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives. In pursuing these objectives, internal controls can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

The Board confirms that there is continuous process for identifying, evaluating and managing the significant risks faced by the Group, which has been in place for the financial year under review.

Audit Committee

The Audit Committee, which is chaired by an Independent Non-Executive Director, is tasked by the Board with the duty of reviewing and monitoring the effectiveness of the Group's system of internal control with the assistance of the in-house Group Internal Audit Department ("GIA").

The Audit Committee meets quarterly to deliberate on the internal audit reports prepared by GIA on the adequacy, efficiency and effectiveness of the Group's system of internal control.

Internal Audit Function

The internal audit function of the Group is carried out by the GIA who assists the Audit Committee as well as the Board in discharging their responsibilities by providing independent, objective assurance and advisory services that add value and improve the operations.

The GIA carries out review on the Group's system on internal control in a systematic manner based on the annual audit plan approved by the Audit Committee.

Through their regular audit visits, GIA carries out regular reviews of business, operational and financial processes to assess the adequacy and effectiveness of internal controls, compliance with regulations and the Group's policies and procedures.

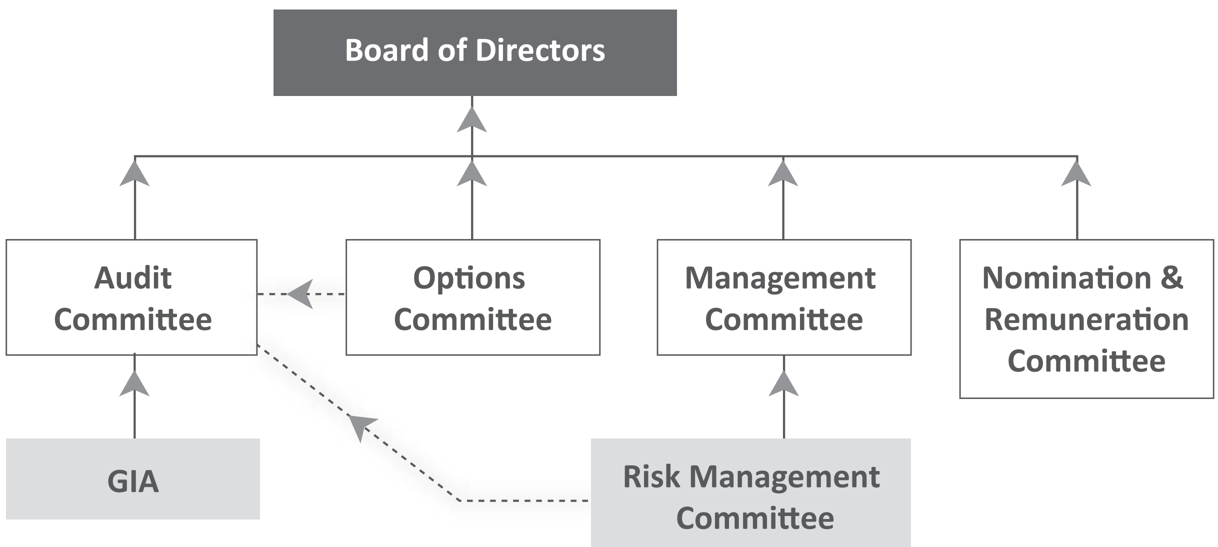
The GIA tabled the results of their review to the Audit Committee at Audit Committee meetings or immediately as warranted.

Statement on Risk Management **and Internal Control**

Internal Control System

Key elements of the Group's internal control system include the following:-

- Organization structure with clearly defined delegation of responsibilities and appropriate authority limits have been established for the Committees of the Board. Various Board Committees have been established to assist the Board in discharging its duties, and the current structure is as follows:-



WCT Holdings Berhad Oversight Structure

Note:
*Management Committee is chaired by the Deputy Managing Director and the members consist of Executive Directors, Heads of Division and/or Departmen*t.

- Defined levels of authority and lines of responsibility for operating units up to the Board level to ensure accountability for risk management and internal control.

- Regular meetings are held at operational and management levels to identify and resolve business, financial, operational and management issues.

- Comprehensive and adequate financial and operational information including key business indicators are presented to the Management and the Board to assist in the review of the Group's performance.

- Policies, operational procedures and guidelines are documented to provide guidance to employees at all levels. These policies, procedures and guidelines are being reviewed regularly to ensure that they remain current and relevant.

- Regular visits by senior management, Audit Committee members, finance staff and internal auditors to project sites and other operating units to obtain updated and latest status on progress of projects and other operational/financial issues.

- The subsidiary companies were accredited with:-
  - *ISO 9001:2008 – Quality Management System*
  - *OHSAS 18001:2007 – OHSAS Management System*
  - *ISO 14001:2004 – Environmental Management System*

  The above are subject to regular assessment by SIRIM to ensure that the systems are adequately implemented and that the systems are continuously improved to manage and control the quality of the Group's products and services.

- The OHSAS 18001:2007 – OHSAS Management System, and ISO 14001:2004 – Environmental Management System certification demonstrated the Group concerns in ensuring adequate controls and governance in place to manage health, safety and environmental matters.

- As part of a disaster recovery plan ("DRP"), Document Control System ("DCS") has been initiated to ensure that adequate data/records/documents are safe-guarded and could be retrieved subsequent to a disaster.

- Training and development programmes are identified and scheduled to ensure that personnel are kept up to date with the necessary competencies to carry out their respective duties towards achieving the Group's objectives.

Risk Management

The Board assures that there is an on-going process of identifying, evaluating and managing risks via the examination of risks in critical areas, assessing the likelihood of material exposures and identification of measures taken to mitigate, avoid or reduce the likelihood and impact from these risks. This process is undertaken by the Risk Management Committee ("RMC"), which comprises an Independent Non-Executive Director (as Advisor) and key management personnel from various divisions and/or departments who are entrusted with the responsibility of implementing and maintaining the appropriate risk management framework.

The above process adheres to the Group's Enterprise Risk Management which includes Risk Management Policy, Project Risk Management Manual/Guideline and Project Risk Management Process to provide a structured and focused approach to managing risks.

Monitoring and Review of the System of Internal Control

The Board is generally satisfied with the Group's adequacy of the existing system of risk management and internal control which operates satisfactorily to prevent any significant breakdown or weaknesses that give rise to material losses incurred by the Group during the financial year under review or requires disclosure in the 2014 Annual Report.

The monitoring, review and reporting systems are in place to give reasonable assurance that the controls are adequate and appropriate to the Group's operations and that risks are at an acceptable level.

However, no systems provide absolute assurance due to the deliberate circumvention of control procedures by human and others and the occurrence of unforeseeable circumstances.

(This Statement on Risk Management and Internal Control has been approved by Board of Directors via a resolution dated 6 April 2015)

Audit Committee **Report**

A. MEMBERSHIP

The Audit Committee comprises the following members:

Chairman : Choo Tak Woh
(Independent Non-Executive Director)

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

Andrew Lim Cheong Seng
(Independent Non-Executive Director)

B. TERMS OF REFERENCE

I. COMPOSITION

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

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

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

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

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

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

(i) he must have passed the examinations specified in Part I 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.

In the event of any vacancy in the Committee resulting in the non-compliance of the Main Market Listing Requirements of Bursa Securities pertaining to the composition of the audit committee, the Board of Directors shall within three (3) 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 the presence of management and executive directors. For the financial year ended 31 December 2014, a total of five (5) Audit Committee meetings were held and the details of the attendance of the members are as follows:

Name	Number of meetings attended
Choo Tak Woh	5/5
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	5/5
Andrew Lim Cheong Seng	4/5

III. RIGHTS AND AUTHORITY

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

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

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

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

IV. FUNCTIONS, DUTIES AND RESPONSIBILITIES

The functions, duties and responsibilities of the Audit Committee are as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

C. SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2014, 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) Main Market 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's responses in the internal audit reports and the follow-up action taken on the respective audit recommendations;

(7) Reviewed twenty-seven (27) internal audit reports on operational, financial and compliance audit for construction, property development, property management, hotel operation, mall operation and car park operation for both local and overseas companies;

(8) Discussed and approved twenty-eight (28) internal audit plans for year 2015 for both Construction and Property Divisions;

(9) Visited subsidiary company's offices in Klang and Paradigm Mall, Selangor and had discussions with the key personnel with regards to business plan, encumbrances faced in business, actions taken to tackle/resolve the encumbrances, future project in the pipeline and others;

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

(11) Reviewed and verified the 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 2014 was approximately RM681,883.40.

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.

E. ACTIVITIES OF THE INTERNAL AUDIT FUNCTION IN 2014

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 2014, reviews and appraisals conducted by GIA are based on the Internal Audit Plan for year 2014 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 2014, GIA completed twenty-seven (27) internal audit reviews which categorised as follows:

No.	Type of Review	Number of Completed Reviews
1	On-going/completed construction project	12
2	On-going/completed property development project	4
3	Property Management	3
4	Hotel operation	3
5	Mall operation	3
6	Subsidiary/Department/Process operation	2
Total:		**27**

(2) Follow-up on Outstanding Audit Recommendation

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

(3) Visit with Audit Committee Members

For year 2014, Manager-Internal Audit accompanied the members of the Audit Committee visited WCT Land Sdn Bhd's office in Klang and Paradigm Mall, Kelana Jaya on 4 March 2014 and 10 March 2014 respectively.

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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 2014.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment 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	120,971	6,077
Attributable to:		
Equity holders of the Company	122,918	6,077
Non-controlling interest	(1,947)	-
	120,971	6,077

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 48 to the financial statements.

DIVIDENDS

Dividends paid by the Company since 31 December 2013 are as follows:

	RM'000
In respect of the financial year ended 31 December 2013:	
Final dividend paid	
Final single tier dividend of 3.25 sen per ordinary share on 1,085,476,908 ordinary shares of RM0.50 each, paid on 5 June 2014	35,278

DIVIDENDS *cont'd*

	RM'000
In respect of the financial year ended 31 December 2014:	
Interim dividend paid	
Single tier interim dividend comprising:	
- Cash dividend of 1.25 sen per ordinary share on 1,081,272,764 ordinary shares of RM0.50 each, paid on 10 October 2014; and	13,516
- Share dividend of 1 treasury share for every 100 ordinary shares held, comprising 10,809,930 treasury shares were distributed on 10 October 2014	23,321
	72,115

Subject to the shareholders' approval at the forthcoming Annual General Meeting, the Directors recommended final single tier dividend comprising:

(i) Cash dividend of 1.00 sen per ordinary share of RM0.50 each; and

(ii) Share dividend via a distribution of treasury shares on the basis of 1 treasury share for every 100 ordinary shares of RM0.50 each held, fractions of treasury shares to be disregarded.

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
Wong Yik Kae
Choo Tak Woh
Andrew Lim Cheong Seng

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 Company's Employees' Share Options Scheme 2013/2023 ("ESOS 2013/2023") and warrants issued by the Company.

DIRECTORS' BENEFITS *cont'd*

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 disclosed in Note 36(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 40.

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 and options over ordinary shares in the Company during the financial year were as follows:

	WCT Holdings Berhad No. of ordinary shares of RM0.50 each			
	1 January 2014	**Acquired**	**(Disposed)**	**31 December 2014**
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid				
- direct	937,500	9,375 *	-	946,875
- indirect (child)	11,500	10,000	-	21,715
		215 *		
Taing Kim Hwa				
- direct	2,343,166	50,000	-	2,416,597
		23,431 *		
- deemed **	207,875,062	2,078,750 *	-	209,953,812
Goh Chin Liong				
- direct	6,817,238	68,172 *	-	6,885,410
Choe Kai Keong				
- direct	3,146,753	31,467 *	-	3,178,220
Liang Kai Chong				
- direct	3,648,953	36,489 *	-	3,685,442
- indirect (spouse)	234,023	2,340 *	-	236,363
Wong Yik Kae				
- direct	75,605	756 *	-	76,361
Choo Tak Woh				
- direct	34,500	345 *	-	34,845
- indirect (spouse)	213,079	2,130 *	-	215,209

* *Share dividend received on the basis of 1 treasury share for every 100 ordinary shares of RM0.50 each held in the Company, fraction of treasury shares was disregarded.*

** *Taing Kim Hwa, by virtue of his interest in the shares of the Company, is deemed interested in the shares of all the Company's subsidiaries to the extent the Company has an interest.*

DIRECTORS' INTERESTS *cont'd*

	WCT Holdings Berhad Number of Warrants 2013/2016			
	1 January 2014	**Acquired**	**(Disposed/ Exercised)**	**31 December 2014**
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid				
- direct	100,000	-	-	100,000
Taing Kim Hwa				
- direct	851,000	-	-	851,000
- indirect	42,328,658	-	-	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
Wong Yik Kae				
- direct	5,000	-	-	5,000
- indirect (spouse)	40,000	-	-	40,000

The terms and conditions of Warrants 2013/2016 are disclosed in Note 28(f).

DIRECTORS' INTERESTS *cont'd*

	WCT Holdings Berhad Number of Warrants 2013/2017			
	1 January 2014	Acquired	(Disposed/ Exercised)	31 December 2014
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid				
- direct	240,000	-	-	240,000
- indirect (child)	2,000	-	-	2,000
Taing Kim Hwa				
- direct	1,065,649	-	-	1,065,649
- indirect	47,776,160	-	-	47,776,160
Goh Chin Liong				
- direct	1,898,607	-	-	1,898,607
Choe Kai Keong				
- direct	1,023,700	493,100	-	1,516,800
Liang Kai Chong				
- direct	628,080	-	-	628,080
- indirect (spouse)	40,700	-	-	40,700
Wong Yik Kae				
- direct	522,801	-	-	522,801
Choo Tak Woh				
- indirect (spouse)	54,623	-	-	54,623

The terms and conditions of Warrants 2013/2017 are disclosed in Note 28(g).

	Number of options over ordinary shares of RM0.50 each pursuant to WCT Holdings Berhad's ESOS 2013/2023			
	1 January 2014	Granted	(Exercised)	31 December 2014
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	50,000	50,000	-	100,000
Taing Kim Hwa	800,000	800,000	-	1,600,000
Goh Chin Liong	450,000	450,000	-	900,000
Choe Kai Keong	250,000	250,000	-	500,000
Liang Kai Chong	250,000	250,000	-	500,000
Wong Yik Kae	70,000	75,000	-	145,000
Choo Tak Woh	30,000	30,000	-	60,000
Andrew Lim Cheong Seng	20,000	23,000	-	43,000

Further information of the ESOS 2013/2023 are disclosed in Note 28(d).

ISSUE OF SHARES

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM546,231,457.50 to RM546,276,182.00, by way of:

(i) issuance of 73,000 new ordinary shares of RM0.50 each pursuant to the exercise of the ESOS 2013/2023 at the exercise prices ranging between RM2.05 and RM2.15 per ordinary share; and

(ii) issuance of 16,449 ordinary shares of RM0.50 each pursuant to the conversion of Warrants 2013/2016 and Warrants 2013/2017 at exercise prices ranging between RM2.04 and RM2.25 per ordinary share for cash.

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

Treasury shares

During the financial year, the Company repurchased a total of 25,775,800 of its issued ordinary shares from the open market at an average price of RM1.96 per share. The total consideration paid for the repurchase including transaction costs was RM50,587,431. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

A total of 10,809,930 treasury shares were distributed as share dividend on 10 October 2014 on the basis of 1 treasury share for every 100 ordinary shares of RM0.50 each held in the Company, fractions of treasury shares being disregarded.

As at 31 December 2014, the Company held 14,965,870 treasury shares with a carrying amount of RM27,266,268 with further details disclosed in Note 28(b) to the financial statements.

Employees' Share Option Scheme 2013/2023 ("ESOS 2013/2023")

Details of the ESOS 2013/2023 and options granted and not exercised as at 31 December 2014 are disclosed in Note 28(d).

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of option holders who have been granted options to subscribe for less than 87,000 ordinary shares of RM0.50 each during the financial year ended 31 December 2014.

The names of option holders who are granted options to subscribe for 87,000 or more ordinary shares of RM0.50 each during the financial year, other than Directors whose details are disclosed in the section on Directors' Interests in this financial statements, are as follows:

	Number of share options over ordinary shares of RM0.50 each pursuant to WCT Holdings Berhad's ESOS 2013/2023			
	1 January 2014	Granted	(Exercised)	31 December 2014
Mohd Roslan bin Sarip	88,000	88,000	-	176,000
Ng Eng Keat	88,000	88,000	-	176,000
Saw Aik Hock	88,000	88,000	-	176,000
Goh Tong Kiat	88,000	88,000	-	176,000
James Andrew Chai	88,000	88,000	-	176,000
Wan Ahmad Shukri bin Wan Daud	77,000	87,000	-	164,000

ISSUE OF SHARES *cont'd*

Warrants 2013/2016

157,014,351 Warrants 2013/2016 were issued on 1 July 2013 pursuant to the securities exchange made between the Company and WCT Berhad pursuant to a scheme of arrangement under Section 176 of the Companies Act, 1965. The Warrants 2013/2016 were listed on the Bursa Securities on 8 July 2013. The salient terms of the Warrants 2013/2016 are disclosed in Note 28(f).

As at the reporting date, 156,986,399 Warrants 2013/2016 remained unexercised.

Warrants 2013/2017

163,777,448 Warrants 2013/2017 were issued on 1 July 2013 pursuant to the securities exchange made between the Company and WCT Berhad pursuant to a scheme of arrangement under Section 176 of the Companies Act, 1965. The Warrants 2013/2017 were listed on the Bursa Securities on 8 July 2013. The salient terms of the Warrants 2013/2017 are disclosed in Note 28(g).

As at the reporting date, 163,631,152 Warrants 2013/2017 remained 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.

(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 these 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.

OTHER STATUTORY INFORMATION *cont'd*

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

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

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

(f) In the opinion of the Directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and

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

SIGNIFICANT EVENTS

Details of significant events are disclosed in Note 46 to the financial statements.

SUBSEQUENT EVENTS

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

MATERIAL ARBITRATION

Details of a material arbitration are disclosed in Note 48 to the financial statements.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the Directors dated 10 April 2015.

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 Holdings Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 75 to 219 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 2014 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 10 April 2015.

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 Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 75 to 220 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 10 April 2015

CHONG KIAN FAH

Before me,

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

Independent **Auditors' Report**

to the Members of WCT Holdings Berhad
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of WCT Holdings Berhad, which comprise the statements of financial position as at 31 December 2014 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 75 to 219.

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 2014 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 48 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 Holdings Berhad
(Incorporated in Malaysia)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statement 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 220 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. 2697/01/17 (J)
Chartered Accountant

Kuala Lumpur, Malaysia
10 April 2015

Statements of **Financial Position**

as at 31 December 2014

		Group		Company		
					(Restated)	
		31.12.2014	31.12.2013	31.12.2014	31.12.2013	01.01.2013
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets						
Property, plant and equipment	4	235,656	271,650	6	-	-
Land held for property development	5(a)	991,553	640,379	-	-	-
Investment properties	6	737,813	653,006	-	-	-
Investments in subsidiaries	7	-	-	3,213,427	3,212,020	-
Investments in associates	8	132,361	127,584	-	-	-
Investments in joint ventures	9(b)	395,384	315,694	236	135	-
Trade receivables	10	653,928	542,390	-	-	-
Other receivables	11	300,215	281,659	-	-	-
Due from related parties	12	9,919	14,757	-	-	-
Deferred tax assets	13	21,445	16,028	4,262	420	-
		3,478,274	2,863,147	3,217,931	3,212,575	-
Current assets						
Property development costs	5(b)	423,173	304,584	-	-	-
Inventories	14	90,710	75,575	-	-	-
Trade receivables	10	876,644	706,815	-	-	-
Other receivables	11	167,643	283,993	1,149	949	-
Due from related parties	12	214,999	252,876	1,867,148	1,129,761	-
Tax recoverable		24,730	8,508	-	-	-
Marketable securities	15	-	65,721	-	-	-
Cash and bank balances	16	950,841	973,403	193,484	472,632	-
		2,748,740	2,671,475	2,061,781	1,603,342	-
Current liabilities						
Trade payables	17	835,482	615,799	-	-	-
Other payables	18	207,529	226,928	21,335	13,039	1
Due to related parties	12	-	-	235,568	98,035	3
Borrowings	19	584,112	369,068	392,385	300,000	-
Tax payable		13,200	19,454	5,095	3,242	-
		1,640,323	1,231,249	654,383	414,316	4
Net current assets/(liabilities)		1,108,417	1,440,226	1,407,398	1,189,026	(4)
		4,586,691	4,303,373	4,625,329	4,401,601	(4)

Statements of **Financial Position**

as at 31 December 2014

		Group		Company		
					(Restated)	
		31.12.2014	31.12.2013	31.12.2014	31.12.2013	01.01.2013
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
Financed by:						
Equity attributable to equity holders of the Company						
Share capital	28	546,276	546,231	546,276	546,231	-
Share premium	29	2,174,151	2,173,973	2,174,151	2,173,973	-
Reserves	30	(458,781)	(515,898)	332,168	396,332	(4)
Treasury shares, at cost	28	(27,266)	-	(27,266)	-	-
		2,234,380	2,204,306	3,025,329	3,116,536	(4)
Non-controlling interest	31	52,762	52,055	-	-	-
Total equity		2,287,142	2,256,361	3,025,329	3,116,536	(4)
Non-current liabilities						
Trade payables	17	89,379	65,816	-	-	-
Other payables	18	328,370	390,279	-	-	-
Borrowings	19	1,846,400	1,553,072	1,600,000	1,285,065	-
Deferred tax liabilities	13	35,400	37,845	-	-	-
		2,299,549	2,047,012	1,600,000	1,285,065	-
		4,586,691	4,303,373	4,625,329	4,401,601	(4)

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

Income **Statements**

for the Financial Year Ended 31 December 2014

		Group		Company	
		2014	2013	2014	2013
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	32	1,662,222	1,654,951	95,813	412,828
Cost of sales	33	(1,428,635)	(1,374,948)	-	-
Gross profit		233,587	280,003	95,813	412,828
Other operating income	34	60,946	140,439	153	1
Administration expenses		(72,845)	(74,513)	(13,114)	(6,410)
Other expenses		(27,383)	(43,256)	(508)	(234)
Operating profit		194,305	302,673	82,344	406,185
Finance costs	35	(60,233)	(67,631)	(77,495)	(25,113)
Share of results of associates	8	8,393	12,124	-	-
Share of results of joint ventures	9(b)	6,989	7,077	-	-
Profit before taxation	36	149,454	254,243	4,849	381,072
Taxation	37	(28,483)	(64,492)	1,228	(2,822)
Profit after taxation		120,971	189,751	6,077	378,250
Attributable to:					
Equity holders of the Company		122,918	197,548	6,077	378,250
Non-controlling interest	31	(1,947)	(7,797)	-	-
		120,971	189,751	6,077	378,250
Earnings per share attributable to equity holders of the Company (sen)					
- Basic	38 (i)	11.33	18.40		
- Fully diluted	38 (ii)	11.27	17.65		

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 2014

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit after taxation	120,971	189,751	6,077	378,250
Other comprehensive income:-				
Foreign currency translation	7,094	9,137	-	-
Revaluation of freehold land and buildings	-	(27)	-	-
Other comprehensive income for the year, net of tax	7,094	9,110	-	-
Total comprehensive income for the year	128,065	198,861	6,077	378,250
Total comprehensive income for the year attributable to:				
Equity holders of the Company	127,358	203,764	6,077	378,250
Non-controlling interest	707	(4,903)	-	-
	128,065	198,861	6,077	378,250

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

Consolidated Statement of **Changes in Equity**

for the Financial Year Ended 31 December 2014

		Attributable to equity holders of the Company														
			Non-Distributable									Distributable				
	Note	Share capital (Note 28) RM'000	Share premium (Note 29) RM'000	Treasury share (Note 28) RM'000	Internal reorganisation reserve (Note 30) 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 2013		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
Profit for the financial year		-	-	-	-	-	-	-	-	-	-	-	197,548	197,548	(7,797)	189,751
Other comprehensive income/(loss)		-	-	-	-	-	(27)	-	-	-	6,243	-	-	6,216	2,894	9,110
Total comprehensive income/(loss) for the year		-	-	-	-	-	(27)	-	-	-	6,243	-	197,548	203,764	(4,903)	198,861
Dividends paid to shareholders	39	-	-	-	-	-	-	-	-	-	-	-	(72,898)	(72,898)	-	(72,898)
Share options vested under ESOS	36(b)	-	-	-	-	-	-	-	-	3,234	-	-	-	3,234	-	3,234
Share options vested under ESOS included in investment in joint ventures	9(b)	-	-	-	-	-	-	-	-	107	-	-	-	107	-	107
Arising from share options exercised	28 & 29	3,238	7,381	-	-	-	-	-	-	-	-	-	-	10,619	-	10,619
Arising from conversion of warrants	28 & 29	67,173	181,850	-	-	-	-	-	-	-	-	-	-	249,023	-	249,023
Arising from internal reorganisation exercise	30	-	1,554,791	-	(1,554,791)	-	-	-	-	-	-	-	-	-	-	-
Transfer within reserve for ESOS exercised	29	-	2,723	-	-	-	-	-	-	(2,723)	-	-	-	-	-	-
Transfer within reserve for warrants exercised	29	-	33,142	-	-	(33,142)	-	-	-	-	-	-	-	-	-	-
Transfer within reserve		-	-	-	-	(578)	-	(232)	-	-	-	-	810	-	-	-
At 31 December 2013		546,231	2,173,973	-	(1,554,791)	53,027	27,729	217	2,846	3,291	(103,777)	1,438	1,054,122	2,204,306	52,055	2,256,361
At 1 January 2014		546,231	2,173,973	-	(1,554,791)	53,027	27,729	217	2,846	3,291	(103,777)	1,438	1,054,122	2,204,306	52,055	2,256,361
Profit for the financial year		-	-	-	-	-	-	-	-	-	-	-	122,918	122,918	(1,947)	120,971
Other comprehensive income/(loss)		-	-	-	-	-	-	-	-	-	4,440	-	-	4,440	2,654	7,094
Total comprehensive income/(loss) for the year		-	-	-	-	-	-	-	-	-	4,440	-	122,918	127,358	707	128,065
Dividends paid to shareholders	39	-	-	-	-	-	-	-	-	-	-	-	(48,794)	(48,794)	-	(48,794)
Share dividends distributed to shareholders	39	-	-	23,321	-	-	-	-	-	-	-	-	(23,321)	-	-	-
Share options vested under ESOS	36(b)	-	-	-	-	-	-	-	-	1,805	-	-	-	1,805	-	1,805
Share options vested under ESOS included in investment in joint ventures	9(b)	-	-	-	-	-	-	-	-	101	-	-	-	101	-	101
Arising from share buy-back		-	-	(50,587)	-	-	-	-	-	-	-	-	-	(50,587)	-	(50,587)
Arising from share options exercised	28 & 29	36	120	-	-	-	-	-	-	-	-	-	-	156	-	156
Arising from conversion of warrants	28 & 29	9	26	-	-	-	-	-	-	-	-	-	-	35	-	35
Transfer within reserve for ESOS exercised	29	-	28	-	-	-	-	-	-	(28)	-	-	-	-	-	-
Transfer within reserve for warrants exercised	29	-	4	-	-	(4)	-	-	-	-	-	-	-	-	-	-
Transfer within reserve		-	-	-	-	-	(4,059)	(77)	-	-	-	-	4,136	-	-	-
At 31 December 2014		546,276	2,174,151	(27,266)	(1,554,791)	53,023	23,670	140	2,846	5,169	(99,337)	1,438	1,109,061	2,234,380	52,762	2,287,142

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 2014

	Note	Share capital (Note 28) RM'000	Share premium (Note 29) RM'000	Treasury share (Note 28) RM'000	Warrant reserve (Note 30) RM'000	Equity compensation reserve (Note 30) RM'000	Retained profits (Note 30) RM'000	Total equity RM'000
		← Non-Distributable				→	Distributable	
Company								
At 1 January 2013		*	-	-	-	-	(4)	(4)
Profit for the financial year		-	-	-	-	-	378,250	378,250
Total comprehensive income for the year		-	-	-	-	-	378,250	378,250
Arising from internal reorganisation exercise		546,090	2,173,440	-	53,032	-	-	2,772,562
Dividends	39	-	-	-	-	-	(38,232)	(38,232)
Share options vested under ESOS	36(b)	-	-	-	-	707	-	707
Share options vested under ESOS included in investment in subsidiaries	7	-	-	-	-	2,527	-	2,527
Share options vested under ESOS included in investment in joint ventures	9(b)	-	-	-	-	107	-	107
Arising from share options exercised	28 & 29	62	205	-	-	-	-	267
Arising from conversion of warrants	28 & 29	79	273	-	-	-	-	352
Transfer within reserve for ESOS exercised	29	-	50	-	-	(50)	-	-
Transfer within reserve for warrants exercised	29	-	5	-	(5)	-	-	-
At 31 December 2013		546,231	2,173,973	-	53,027	3,291	340,014	3,116,536
At 1 January 2014		546,231	2,173,973	-	53,027	3,291	340,014	3,116,536
Profit for the financial year		-	-	-	-	-	6,077	6,077
Total comprehensive income for the year		-	-	-	-	-	6,077	6,077
Dividends	39	-	-	-	-	-	(48,794)	(48,794)
Share dividends distributed to shareholders	39	-	-	23,321	-	-	(23,321)	-
Share options vested under ESOS	36(b)	-	-	-	-	398	-	398
Share options vested under ESOS included in investment in subsidiaries	7	-	-	-	-	1,407	-	1,407
Share options vested under ESOS included in investment in joint ventures	9(b)	-	-	-	-	101	-	101
Arising from share buy-back		-	-	(50,587)	-	-	-	(50,587)
Arising from share options exercised	28 & 29	36	120	-	-	-	-	156
Arising from conversion of warrants	28 & 29	9	26	-	-	-	-	35
Transfer within reserve for ESOS exercised	29	-	28	-	-	(28)	-	-
Transfer within reserve for warrants exercised	29	-	4	-	(4)	-	-	-
At 31 December 2014		546,276	2,174,151	(27,266)	53,023	5,169	273,976	3,025,329

* *Represent RM2.00*

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 2014

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before taxation	149,454	254,243	4,849	381,072
Adjustments for:				
Interest income	(39,615)	(43,230)	(69,080)	(18,599)
Dividend income	-	-	(22,936)	(393,185)
Dividend income from marketable securities	(1,234)	(2,019)	-	-
Interest expense	60,233	67,631	77,495	25,113
Net unrealised foreign exchange gains	(18,050)	(35,727)	-	-
Allowance for doubtful debts				
- third parties	4,670	17,833	-	-
Property, plant and equipment				
- depreciation	8,170	9,936	1	-
- loss/(gain) on disposal	16,245	(3,975)	-	-
- written off	37	904	-	-
- impairment	-	444	-	-
Bad debts written off	3,001	9,320	-	-
Reversal of allowance for impairment of trade and other receivables	(1,024)	(4,509)	-	-
Gain on disposal of investment associates	-	(10,355)	-	-
Gain on disposal of stock properties	(53)	(709)	-	-
Loss on disposal of investment in a subsidiary	-	5,156	-	-
Write down/(back) in value of properties held for sale	157	(626)	-	-
Share options granted under ESOS	1,805	3,234	398	707
Fair value gain on investment properties	(9,945)	(51,105)	-	-
Share of results of associates	(8,393)	(12,124)	-	-
Share of results of joint ventures	(6,989)	(7,077)	-	-
Provision/(reversal) of foreseeable losses for				
- contract work in progress	2,000	(12,741)	-	-
Loss on disposal of other investment	-	265	-	-
Finance (income)/expense from loan and receivables	(1,011)	2,869	-	-

Statements of **Cash Flows**

for the Financial Year Ended 31 December 2014

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities *cont'd*				
Operating profit/(loss) before changes in working capital	159,458	187,638	(9,273)	(4,892)
Development expenditure	(448,697)	(446,646)	-	-
Related parties	(8,570)	176,328	(599,854)	413,497
Joint ventures	(2,600)	5,175	-	-
Inventories	(16,380)	(4,227)	-	-
Receivables	(178,210)	(224,459)	(200)	(949)
Payables	164,395	(137,969)	8,296	13,038
Cash flows (used in)/generated from operations	(330,604)	(444,160)	(601,031)	420,694
Interest paid	(80,424)	(76,777)	(70,175)	(22,233)
Interest received	39,615	36,857	69,080	18,599
Taxation paid	(58,826)	(64,400)	(761)	-
Net cash (used in)/generated from operating activities	(430,239)	(548,480)	(602,887)	417,060
Cash flows from investing activities				
Dividend received	-	-	22,936	393,185
Purchase of property, plant and equipment	(33,196)	(50,624)	(7)	-
Purchase of investment properties	(69,137)	(173,431)	-	-
Proceeds from disposal of:				
- subsidiaries	-	80,412	-	-
- associate	-	41,005	-	-
- other investment	-	8,510	-	-
Investment in joint venture	-	(25,241)	-	-
Redemption of cumulative redeemable preference shares from associates	4,369	-	-	-
Refund of share application monies from associates	2,798	2,763	-	-
Dividend received from associates	1,655	6,508	-	-
Withdrawal/(placement) in				
- FSRA account	102,274	(100,284)	-	-
- deposits in licensed banks	(4)	9,862	-	-
Proceeds from disposal/(purchase) of marketable securities	66,955	(65,721)	-	-
Proceeds from disposal of				
- property, plant and equipment	30,442	25,793	-	-
- properties held for sale	-	1,182	-	-
- investment properties	720	-	-	-
Net cash generated from/(used in) investing activities	106,876	(239,266)	22,929	393,185

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities				
Dividends paid	(48,794)	(72,898)	(48,794)	(38,232)
Proceeds from MTN	-	1,000,000	-	-
Proceeds from Sukuk Murabahah	600,000	-	600,000	-
Proceeds from share options exercised	156	10,619	156	267
Proceeds from conversion of warrants	35	249,023	35	352
Purchase of treasury shares	(50,587)	-	(50,587)	-
Payments to hire purchase payables	(124)	(7,261)	-	-
Proceeds/(repayment) of bankers acceptance and revolving credits	131,049	(80,195)	-	-
Repayment of term loans	(32,623)	(5,910)	-	-
Repayment of Islamic MTN	(200,000)	(100,000)	(200,000)	-
Repayment of SUKUK	-	(99,288)	-	-
Repayment of Bonds	-	(300,000)	-	(300,000)
Net cash generated from/(used in) financing activities	399,112	594,090	300,810	(337,613)
Net increase/(decrease) in cash and cash equivalents	75,749	(193,656)	(279,148)	472,632
Exchange differences	1,209	1,714	-	-
Cash and cash equivalents at beginning of the financial year	867,524	1,059,466	472,632	-
Cash and cash equivalents at end of the financial year	944,482	867,524	193,484	472,632

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

		Group		Company	
		2014	2013	2014	2013
	Note	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	16	950,071	870,359	193,484	472,632
Less: Deposits with maturity more than three months	16	(160)	(156)	-	-
Bank overdrafts	23	(5,429)	(2,679)	-	-
Total cash and cash equivalents		944,482	867,524	193,484	472,632

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 banks of the Group amounting to RM11,052,000 (2013: RM13,994,000) are pledged to banks to secure banking facilities.

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

1. CORPORATION INFORMATION

The Company is a public limited company, incorporated and domiciled in Malaysia, and is listed on the Main Market of 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 investment 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 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 10 April 2015.

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 2014 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

On 1 January 2014, the Group and the Company adopted the following new and amended FRS and IC Interpretations which are effective for annual financial periods beginning on or after 1 January 2014.

Description

- Amendments to FRS 132: *Offsetting Financial Assets and Financial Liabilities*
- Amendments to FRS 10, FRS 12 and FRS 127: *Investment Entities*
- Amendments to FRS 139: *Novation of Derivatives and Continuation of Hedge Accounting*
- IC Interpretation 21: *Levies*
- Annual improvement FRSs 2010-2012 cycle
- Annual improvement FRSs 2011-2013 cycle

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.

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

2.3 Standards issued but not yet effective

The standards that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
• Amendments to FRS 119: *Defined Benefit Plans: Employee Contributions*	1 July 2014
• Annual Improvements to FRSs 2010–2012 Cycle	1 July 2014
• Annual Improvements to FRSs 2011–2013 Cycle	1 July 2014
• Amendments to FRS 116 and FRS 138: *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
• Amendments to FRS 11: *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
• Amendments to FRS 127: *Equity Method in Separate Financial Statements*	1 January 2016
• FRS 14: *Regulatory Deferral Accounts*	1 January 2016
• Amendments to FRS 116 and FRS 141: *Agriculture: Bearer Plants*	1 January 2016
• FRS 9: *Financial Instruments*	1 January 2018

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

Amendments to FRS 10 and FRS 128: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments clarify that:

- gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and

- gains and losses resulting from transactions involving the sale or contribution to an associate of a joint venture of assets that constitute a business is recognised in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after 1 January 2016. Earlier application is permitted.

FRS 9: *Financial Instruments*

In November 2014, MASB issued the final version of FRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted.

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

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

FRS 9: *Financial Instruments* *cont'd*

Retrospective application is required, but comparative information is not compulsory. The adoption of FRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

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 ("Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS until the MFRS Frameworks becomes mandatory for Transitioning Entities for annual periods beginning on or after 1 January 2017.

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 2017. 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 2017.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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 for like transactions and events in similar circumstances.

The Group controls an investee if and only if the Group has:

(i) power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) exposure, or rights, to variable returns from its investment with the investee; and

(iii) the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) the contractual arrangement with the other vote holders of the investee;

(ii) rights arising from other contractual arrangements; and

(iii) the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation except for unrealised losses which are not eliminated if there are indications of impairment.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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

2.4 Basis of consolidation *cont'd*

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of FRS 139 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in profit or loss or as a charge to OCI. If the contingent consideration is not within the scope of FRS 139, it is measured in accordance with the appropriate FRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

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

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 currencies

The Group's consolidated financial statements are presented in Ringgit Malaysia (RM). For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

(a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

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

2.6 Foreign currencies *cont'd*

(b) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2.7 Property, plant and equipment

Construction in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. 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. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, 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. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Leasehold lands are depreciated based on the period of 99 years.

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

2.7 Property, plant and equipment *cont'd*

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

- Leasehold land: 99 years
- Buildings: 50 years
- Plant and machinery: 2 to 19 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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.8 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

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. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under 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:

i) Construction of the asset in a developed liquid market;
ii) Signing of a construction contract with the contractor;
iii) Obtaining the required building and letting permits; and
iv) 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.

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

2.8 Investment properties *cont'd*

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 indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

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

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

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.10 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

(i) power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) exposure, or rights, to variable returns from its investment with the investee; and

(iii) the ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for 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.

2.11 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

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

2.11 Investments in associates and joint ventures *cont'd*

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.12 Investments in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group as a joint operator recognises in relation to its interest in a joint operation:

(i) its assets, including its share of any assets held jointly;

(ii) its liabilities, including its share of any liabilities incurred jointly;

(iii) its revenue from the sale of its share of the output arising from the joint operation;

(iv) its share of the revenue from the sale of the output by the joint operation; and

(v) its expenses, including its share of any expenses incurred jointly.

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

2.12 Investments in joint operations *cont'd*

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the FRSs applicable to the particular assets, liabilities, revenues and expenses.

Profits and losses resulting from transactions between the Group and its joint operation are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the joint operation.

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.

When the range of reasonable fair value estimate is significant and the probabilities of the various estimates cannot be reasonably assessed, an entity is precluded from measuring the instrument at fair value.

2.14 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in four categories:

- financial assets at fair value through profit or loss;
- loans and receivables;
- held-to-maturity investments; and
- available-for-sale financial assets.

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

2.14 Financial assets *cont'd*

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

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by FRS 139. The Group has not designated any financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the statement of profit or loss.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

(b) Loans and receivables

This category is the most relevant to the Group. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

This category generally applies to trade and other receivables.

(c) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Group has the positive intention and ability to hold them to maturity. After initial measurement, held to maturity investments are measured at amortised cost using the EIR, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss as finance costs.

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

2.14 Financial assets *cont'd*

(d) Available-for-sale ("AFS") financial assets

AFS financial assets include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, AFS financial assets are subsequently measured at fair value with unrealised gains or losses recognised in OCI and credited in the AFS reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the statement of profit or loss in finance costs. Interest earned whilst holding AFS financial assets is reported as interest income using the EIR method.

The Group evaluates whether the ability and intention to sell its AFS financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if the management has the ability and intention to hold the assets for foreseeable future or until maturity.

For a financial asset reclassified from the AFS category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

2.14 Financial assets *cont'd*

Derecognition *cont'd*

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.15 Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income (recorded as finance income in the statement of profit or loss) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of profit or loss.

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

2.15 Impairment of financial assets *cont'd*

(b) AFS financial assets

For AFS financial assets, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss – is removed from OCI and recognised in the statement of profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised in OCI.

The determination of what is 'significant' or 'prolonged' requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

In the case of debt instruments classified as AFS, the impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the statement of profit or loss, the impairment loss is reversed through the statement of profit or loss.

2.16 Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered 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.

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) exceed 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.

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*

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

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

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

2.19 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 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 resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

2.21 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(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.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by FRS 139. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in FRS 139 are satisfied. The Group has not designated any financial liability at fair value through profit or loss.

(b) Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

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

2.21 Financial liabilities *cont'd*

(c) Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, 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 recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.22 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.23 Islamic Medium Term Notes ("IMTN")

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

2.24 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.

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

2.24 Bonds with Warrants ("Bonds") *cont'd*

The Bonds are initially recognised based on the proceeds received, net of transaction costs incurred. In subsequent periods, the Bonds are 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.

2.25 MTN Programme ("MTN")

The MTNs were issued via bought deal basis and are initially recognised at the fair value of the consideration received less direct attributable transaction costs.

2.26 Sukuk Murabahah Programme

Sukuk Murabahah Programme for the issuance of Sukuk ("Sukuk Murabahah") based on the Shariah principle of Murabahah involving Shariah-compliant commodities of up to RM1.5 billion in nominal value ("Sukuk Murabahah Programme").

The Sukuk Murabahah are issued under the Shariah principle of Murabahah based on commodity trading (via a Tawarruq arrangement), which is one of the Shariah principles and concepts approved by the Shariah Advisory Council of the Securities Commission Malaysia.

The Sukuk Murabahah's will be issued via book-building, private placement or bought deal basis and are initially recognised at the fair value of the consideration received less direct attributable transaction costs.

2.27 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.

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

2.27 Employee benefits *cont'd*

(c) Share-based compensation

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

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

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

2.28 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(a) As lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between 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 recognised in finance costs in the statement of profit or loss.

A leased asset is depreciated over the 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 of the asset and the lease term.

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

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

2.28 Leases *cont'd*

(b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.29 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Sale of properties

Revenue from sale of properties is accounted for by the stage of completion method. Revenue from completed property units and land is recognised when risk and rewards associated to ownership have been transferred to purchasers.

(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.

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

2.29 Revenue *cont'd*

(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 accrual 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.

2.30 Income taxes

(a) Current tax

Current income 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, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

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

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

2.30 Income taxes *cont'd*

(b) Deferred tax *cont'd*

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

- when the deferred tax liability arises from the initial recognition of goodwill or 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, when 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, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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:

- when 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 re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in 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 OCI or directly in equity.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.30 Income taxes *cont'd*

(b) Deferred tax cont'd

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

2.31 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.

2.32 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.

(c) Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in share premium. Share options exercised during the reporting period are satisfied with treasury shares.

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

2.33 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.

2.34 Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within 12 months after the reporting period; or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.35 Fair value measurement

The Group measures financial instruments, such as, derivatives and non-financial assets such as investment properties, at fair value at each reporting date.

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

2.35 Fair value measurement *cont'd*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or

- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Senior management determines the policies and procedures for both recurring fair value measurement, such as investment properties, unquoted AFS financial assets and for non-recurring measurement, such as assets held for distribution in discontinued operation.

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

2.35 Fair value measurement *cont'd*

External valuers are involved for valuation of significant assets, such as investment properties, AFS financial assets and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the senior management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Senior management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the senior management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, senior management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Senior management, in conjunction with the Group's external valuers, also compares each the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, senior management and the Group's external valuers present the valuation results to the audit committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

3.1 Critical judgements made in applying accounting policies

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

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

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

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

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

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

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

(b) Arbitration proceedings

Note 48 describes a contract dispute that is currently in progress between a joint operation in which the Group, through its Dubai Branch, has a 50% share (the "Arabtec-WCT Joint Venture") and the contract owner ("Meydan"). The calling of the Performance Security and its encashment, including the claim presented, raises questions about the accounting treatment for the transaction. In light of the contract dispute arising, the Directors consider the amount of the encashed Performance Security as amounts receivable from the contract owner pending resolution of the dispute.

In making this judgement, the Directors considered the criteria in The Framework for the Preparation and Presentation of Financial Statements and in conjunction with FRS 137 Provisions, Contingent Liabilities and Contingent Assets in considering whether the amounts payable can be recognised as an asset to the Group. In particular, consideration was given to whether the calling of the Performance Security indicated that the Group had a present legal obligation as a result of a past event, and whether it is probable that recognition of the asset will result in future economic benefits flowing to the Group.

In the view of the Directors, the contract termination and call on the Performance 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 AED3,500 million (or approximately RM3,364 million) 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 Group is minimal and the Group has a contractual right to recoup the Performance Security.

(c) Operating lease commitments - the Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

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. The Group engages professional consultants to determine the quantum of contract variations to be recognised.

(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) 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) 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.

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

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

(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).

(f) Allowance for slow-moving inventories

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

(g) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses 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 the level of future taxable profits together with future tax planning strategies.

These losses relate to subsidiaries that have a history of losses, do not expire and may not be used to offset taxable income elsewhere in the Group. The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

(h) 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.

(i) Revaluation of investment property

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognised in profit or loss. The Group engaged independent valuation specialists to determine the fair value as at 31 December 2014.

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

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

(j) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounting cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounting cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

(k) Share-based payments

The Group initially measures the cost of cash-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in the profit or loss. This requires a reassessment of the estimates used at the end of each reporting period.

4. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Leasehold 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 2014								
Cost/valuation								
At 1 January 2014	45,174	-	92,912	247,250	47,863	41,198	17,289	491,686
Additions	-	15,513	68	11,616	1,406	1,414	3,179	33,196
Reclassification	-	-	-	(339)	-	339	-	-
Disposals	(17,141)	-	(4,840)	(71,527)	(4,749)	(5,124)	-	(103,381)
Written off	-	-	-	(86)	(5)	(106)	-	(197)
Exchange differences	(75)	-	(26)	2,388	227	288	-	2,802
At 31 December 2014	27,958	15,513	88,114	189,302	44,742	38,009	20,468	424,106
Accumulated depreciation and impairment								
At 1 January 2014	-	-	6,957	159,131	24,545	29,403	-	220,036
Depreciation charge for the financial year	-	104	1,454	15,084	3,260	3,213	-	23,115
Reclassification	-	-	-	(259)	-	259	-	-
Disposals	-	-	(929)	(47,572)	(3,660)	(4,533)	-	(56,694)
Written off	-	-	-	(36)	(5)	(84)	-	(125)
Exchange differences	-	-	(4)	1,699	126	297	-	2,118
At 31 December 2014	-	104	7,478	128,047	24,266	28,555	-	188,450
Net carrying amount								
At 31 December 2014	27,958	15,409	80,636	61,255	20,476	9,454	20,468	235,656

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

Group	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovations, office equipment, furniture and fittings RM'000	Building work in progress RM'000	Total RM'000
As at 31 December 2013							
Cost/valuation							
At 1 January 2013	43,436	83,769	286,778	51,400	46,938	11,354	523,675
Additions	-	8,981	28,441	2,057	5,210	5,935	50,624
Disposals	-	-	(75,415)	(5,668)	(1,240)	-	(82,323)
Written off	-	-	(1,506)	(456)	(5,633)	-	(7,595)
Revaluation surplus	500	-	-	-	-	-	500
Disposal of a subsidiary	-	-	-	(86)	(5,019)	-	(5,105)
Exchange differences	1,238	162	8,952	616	942	-	11,910
At 31 December 2013	45,174	92,912	247,250	47,863	41,198	17,289	491,686
Accumulated depreciation and impairment							
At 1 January 2013	-	5,455	184,363	25,357	32,270	-	247,445
Depreciation charge for the financial year	-	1,459	25,567	3,440	3,780	-	34,246
Disposals	-	-	(55,180)	(4,265)	(1,060)	-	(60,505)
Written off	-	-	(1,031)	(341)	(5,319)	-	(6,691)
Disposal of a subsidiary	-	-	-	(19)	(1,507)	-	(1,526)
Impairment	-	-	-	-	444	-	444
Exchange differences	-	43	5,412	373	795	-	6,623
At 31 December 2013	-	6,957	159,131	24,545	29,403	-	220,036
Net carrying amount							
At 31 December 2013	45,174	85,955	88,119	23,318	11,795	17,289	271,650

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

Company	Renovations, office equipment, furniture and fittings, total RM'000
As at 31 December 2014	
Cost/valuation	
At 1 January 2014	-
Additions	7
At 31 December 2014	7
Accumulated depreciation and impairment	
At 1 January 2014	-
Depreciation charge for the financial year	1
At 31 December 2014	1
Net carrying amount	
At 31 December 2014	6

(a) Freehold land is carried at valuation whilst 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 2013 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, a member of The Carlton Group. Valuations were made using comparison method on the basis of open market value.

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

If the freehold land and buildings were measured using the cost model, the carrying amounts as at 31 December 2014 would have been as follows:

	Group	
	2014	2013
	RM'000	RM'000
Freehold land and buildings		
Cost	93,290	109,890
Accumulated depreciation	(7,533)	(7,028)
Net book value	85,757	102,862

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

	Freehold land		Buildings	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Group				
Valuation	27,958	46,190	88,114	93,917
Accumulated depreciation	-	-	(7,478)	(7,426)
Exchange differences	-	(1,016)	-	(536)
	27,958	45,174	80,636	85,955

(b) All acquisitions of property, plant and equipment were by way of cash payments.

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

	Group	
	2014	2013
	RM'000	RM'000
Machineries	-	7,859
Motor vehicles	1,536	6,025
	1,536	13,884

(c) The freehold land and buildings with an aggregate carrying amount of RM75,911,000 (2013: RM76,949,000) are pledged to a financial institution for a term loan obtained as disclosed in Note 22.

(d) Interest expense of RM511,000 were capitalised within building work in progress during the previous financial year as disclosed in Note 35.

5. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land held for property development

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Group				
Cost				
At 1 January 2013	166,217	42,802	179,452	388,471
Transferred to property development costs (Note 5(b))	(74,587)	(14,088)	(14,914)	(103,589)
Additions	465,252	431	72,153	537,836
Disposal of a subsidiary (Note 7(e))	-	(29,145)	(153,194)	(182,339)
At 31 December 2013/1 January 2014	556,882	-	83,497	640,379
Transferred to property development costs (Note 5(b))	(2,465)	-	(919)	(3,384)
Additions	23,899	258,697	71,962	354,558
At 31 December 2014	578,316	258,697	154,540	991,553

(b) Property development costs

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Group				
At 31 December 2014				
Cumulative property development costs				
At 1 January 2014	171,169	122,436	508,971	802,576
Cost incurred during the financial year	304	36,522	385,441	422,267
Transferred from land held for property development (Note 5(a))	2,465	-	919	3,384
Reversal of completed projects	(14,073)	-	(78,171)	(92,244)
Unsold completed units transferred to inventories	(1,545)	-	(25,569)	(27,114)
At 31 December 2014	158,320	158,958	791,591	1,108,869

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 2014				
Cumulative costs recognised in income statements				
At 1 January 2014	(30,389)	(59,411)	(408,192)	(497,992)
Recognised during the financial year (Note 33)	(13,606)	(64,520)	(201,822)	(279,948)
Reversal of completed projects	14,073	-	78,171	92,244
At 31 December 2014	(29,922)	(123,931)	(531,843)	(685,696)
Property development costs as at 31 December 2014	128,398	35,027	259,748	423,173
At 31 December 2013				
Cumulative property development costs				
At 1 January 2013	116,113	66,539	662,914	845,566
Disposal of a subsidiary (Note 7(e))	-	(16,394)	(27,835)	(44,229)
Cost incurred during the financial year	195	58,203	164,489	222,887
Transferred from land held for property development (Note 5(a))	74,587	14,088	14,914	103,589
Reversal of completed projects	(17,264)	-	(285,698)	(302,962)
Unsold completed units transferred to inventories	(2,462)	-	(19,813)	(22,275)
At 31 December 2013	171,169	122,436	508,971	802,576
Cumulative costs recognised in income statements				
At 1 January 2013	(70,029)	(50,145)	(411,682)	(531,856)
Recognised during the financial year (Note 33)	22,376	(9,266)	(282,208)	(269,098)
Reversal of completed projects	17,264	-	285,698	302,962
At 31 December 2013	(30,389)	(59,411)	(408,192)	(497,992)
Property development costs as at 31 December 2013	140,780	63,025	100,779	304,584

Interest costs of RM21,066,000 (2013: RM22,193,000) were capitalised within development costs during the financial year as disclosed in Note 35.

6. INVESTMENT PROPERTIES

	Investment properties RM'000	Group Investment properties under construction RM'000	Total RM'000
Fair value/cost			
At 1 January 2014	474,555	178,451	653,006
Additions	-	75,582	75,582
Disposal	(720)	-	(720)
Gain from fair value adjustment (Note 34)	9,945	-	9,945
At 31 December 2014	483,780	254,033	737,813
At 1 January 2013	1,144,503	167,020	1,311,523
Additions	-	11,431	11,431
Disposal of a subsidiary (Note 7(e))	(721,053)	-	(721,053)
Gain from fair value adjustment (Note 34)	51,105	-	51,105
At 31 December 2013	474,555	178,451	653,006

Investment properties under construction ("IPUC") are measured at cost due to the fair value of the IPUC cannot be determined reliably prior to their completion.

Interest expense capitalised during the financial year under IPUC amounted to RM6,445,000 (2013: Nil) as disclosed in Note 35.

	Group 2014 RM'000	2013 RM'000
Rental income derived from investment properties	30,010	32,553
Direct operating expenses (including repair and maintenance) of income generating properties	(5,089)	(5,423)
Profit arising from investment properties carried at fair value	24,921	27,130

Investment properties with an aggregate carrying amount of RM39,900,000 (2013: RM37,675,000) are held under lease terms.

Investment properties are stated at their fair value as at 31 December 2014. 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 Investment Method.

6. INVESTMENT PROPERTIES *cont'd*

Investment properties with an aggregate carrying amount of RM438,276,000 (2013: RM431,276,000) are pledged as securities for borrowings as disclosed in Note 22. Subsequent to year end, investment properties with an aggregate carrying amount of RM254,033,000 were also pledged as borrowings.

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment properties are in Note 44(f).

Reconciliation of fair value:

	Group		
	Investment properties		
	Office properties RM'000	Retail properties RM'000	Total RM'000
As at 1 January 2013	36,570	1,107,933	1,144,503
Remeasurement recognised in profit or loss (Note 34)	1,105	50,000	51,105
Disposal	-	(721,053)	(721,053)
As at 31 December 2013	37,675	436,880	474,555
Remeasurement recognised in profit or loss (Note 34)	2,945	7,000	9,945
Disposal	(720)	-	(720)
As at 31 December 2014	39,900	443,880	483,780

Description of valuation techniques used and key inputs to valuation on investment properties:

	Valuation technique	Significant unobservable inputs	Range (weighted average) 2014	2013
Office properties	Investment method	Yield	6.25% - 6.50%	6.25% - 6.50%
Retail properties	Investment method	Capitalisation rate	6.25% - 6.50%	6.25% - 6.50%

The investment method entails determining the net annual income by deducting the annual outgoings from the gross annual income and capitalising the net income by suitable rate of return consistent with the type and quality of the investment to arrive at the market value of the subject property.

7. INVESTMENTS IN SUBSIDIARIES

	Company 2014 RM'000	Company 2013 RM'000 (Restated)
Unquoted shares, at cost	3,204,915	3,204,915
Arising from ESOS granted to subsidiaries' employees	8,512	7,105
	3,213,427	3,212,020

Details of the subsidiaries are as follows:

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest 2014 (%)	Proportion of ownership interest 2013 (%)
WCT Berhad	Malaysia	Engineering, construction works and investment holding	100	100
WCT Land Sdn. Bhd.	Malaysia	Investment holding	100	100
Held by WCT Berhad:				
WCT Construction Sdn. Bhd.	Malaysia	Engineering and construction works	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 (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

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 2014 (%)	2013 (%)
Held by WCT Berhad: *cont'd*				
WCT Engineering Vietnam Company Limited [1]	Vietnam	Dormant	100	100
BSC-WCT Company Limited (Note 7(a)) [1]	Vietnam	Dormant	67	67
WCT (S) Pte. Ltd. [1]	Singapore	Investment holding	100	100
Allied WCT L.L.C. [1]	Sultanate of Oman	Dormant	70	70
WCT Oman Roads L.L.C. [1]	Sultanate of Oman	Dormant	60	60
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

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 2014 (%)	2013 (%)
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
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
WCT Premier Development Sdn. Bhd.	Malaysia	Investment holding	100	100
WCT Assets Sdn. Bhd.	Malaysia	Dormant	100	100
WCT Realty Sdn. Bhd.	Malaysia	Dormant	100	100

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 2014 (%)	2013 (%)
Held by WCT Land Sdn. Bhd.: *cont'd*				
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] (Note 7(b))	China	Dormant	-	100
One Medini Sdn. Bhd.	Malaysia	Property development	100	100
WCT Pioneer Development Sdn. Bhd.	Malaysia	Dormant	100	100
WCT Precious Development Sdn. Bhd.	Malaysia	Dormant	100	100
WCT Phenomenon Development Sdn. Bhd.	Malaysia	Dormant	100	100
WCT Malls Management Sdn. Bhd. (Note 7(c))	Malaysia	Dormant	100	-
Held by Labur Bina Sdn. Bhd.:				
Labur Bina Management Sdn. Bhd.	Malaysia	Maintenance and management services on developed property	100	100

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 2014 (%)	2013 (%)
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 Premier Development Sdn. Bhd.				
WCT OUG Development Sdn. Bhd.	Malaysia	Property development	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*

7. INVESTMENTS IN SUBSIDIARIES *cont'd*

(a) Dissolution of a subsidiary

On 26 February 2014, the Company received a decision letter from the Ho Chi Minh City People's Committee that the Investment Certificate (also act as Business License) dated 18 December 2007 granted to BSC-WCT Co., Ltd, an indirect 67% owned subsidiary of the Company, to undertake the proposed Platinum Plaza Development Project ("the Proposed Project") located in the Binh Chanh District, Ho Chi Minh City ("HCMC" or the "City"), Vietnam, has been revoked by the Ho Chi Minh City People's Committee.

In connection thereto, the Company will cease to proceed with the Proposed Project which has yet to commence as of to date and to proceed with the liquidation process on BSC-WCT Co., Ltd in accordance with the current laws and regulations of the Ho Chi Minh City People's Committee.

(b) De-registration of a subsidiary

On 7 May 2014, WCT Management (Beijing) Limited, a wholly owned foreign subsidiary in Beijing, China of WCT Land Sdn. Bhd. ("WCTL"), which in turn is a wholly-owned subsidiary of the Company, had completed all the de-registration procedures with the Beijing Administration of Industry and Commerce and is accordingly dissolved.

The de-registration of this subsidiary has no material impact to these financial statement.

(c) Acquisition of a new subsidiary

On 23 October 2014, WCTL has acquired 2 ordinary shares of RM1.00 each at par representing the entire issued and paid-up share capital of WCT Malls Management Sdn. Bhd. ("WCTMM") for a total cash consideration of RM2.00.

WCTMM is a company incorporated in Malaysia which has an authorised share capital of RM400,000 and an issued and paid-up share capital of RM2.00 divided into 2 ordinary shares of RM1.00 each.

(d) Business combinations

There were no new business combinations during the financial year.

(e) Disposal of a subsidiary in the previous financial year

In the previous financial year, WCTL disposed 48,000,000 ordinary shares of RM1.00 each in Jelas Puri Sdn. Bhd. ("JPSB"), representing 30% of the issued and paid-up share capital of JPSB to Employees Provident Fund Board for a total cash consideration of RM87,360,000. Upon the completion of the disposal, JPSB became a jointly controlled entity of WCTL.

7. INVESTMENTS IN SUBSIDIARIES *cont'd*

(e) Disposal of a subsidiary in the previous financial year *cont'd*

Effect of changes in the composition of the Group

Details of the disposal were as follows:

	At the date of disposal RM'000
Property, plant and equipment	3,579
Investment properties	721,053
Land held for property development	182,339
Deferred taxation	6,696
Property development costs	44,229
Trade and other receivables	5,678
Cash and bank balances	6,948
Amount due to related parties	(322,293)
Trade and other payables	(19,843)
Term loan	(320,000)
Net assets	308,386
Net identifiable assets disposed @ 30%	92,516
Proceeds from disposal	(87,360)
Loss on disposal	5,156
The net cash flows on disposal was determined as follows:	
Total proceeds from disposal – cash consideration	87,360
Cash and bank balances of subsidiary disposed	(6,948)
Cash inflow to the Group on disposal	80,412

7. INVESTMENTS IN SUBSIDIARIES *cont'd*

(f) Material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interest are provided below:

Proportion of equity interest held by non-controlling interest:

Name	Country of incorporation and operation	Group 2014	Group 2013
Intraxis Engineering Sdn. Bhd. ("IESB")	Malaysia	40%	40%
Cebarco-WCT W.L.L. ("Cebarco WCT Bahrain")	Kingdom of Bahrain	50%	50%
Cebarco-WCT (Abu Dhabi) W.L.L. - Branch of Cebarco WCT Bahrain ("Cebarco WCT AD")	Abu Dhabi	-	50%

	Group 2014 RM'000	Group 2013 RM'000
Accumulated balances of material non-controlling interest:		
IESB	20,590	14,297
Cebarco WCT Bahrain	30,475	36,869
Cebarco WCT AD	-	(384)
Other individually immaterial non-controlling interest	1,697	1,273
	52,762	52,055
Total comprehensive income/(loss) allocated to material non-controlling interest:		
IESB	6,293	617
Cebarco WCT Bahrain	(6,394)	(1,956)
Cebarco WCT AD	384	(3,494)
Other individually immaterial non-controlling interest	424	(70)
	707	(4,903)

7. INVESTMENTS IN SUBSIDIARIES *cont'd*

(f) Material partly-owned subsidiaries *cont'd*

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of comprehensive income for 2014:

	IESB RM'000	Cebarco WCT Bahrain RM'000	Cebarco WCT AD RM'000	Total RM'000
Revenue	46,723	545	-	47,268
Cost of sales	(26,831)	(3,567)	978	(29,420)
Other income	1,202	(5,783)	(215)	(4,796)
Administrative expenses	(91)	-	-	(91)
Profit/(loss) before tax	21,003	(8,805)	763	12,961
Income tax	(5,269)	-	-	(5,269)
Profit/(loss) for the year from continuing operations	15,734	(8,805)	763	7,692
Other comprehensive income/(loss) for the year, net of tax	-	(3,982)	5	(3,977)
Total comprehensive income/(loss)	15,734	(12,787)	768	3,715
Attributable to:				
Non-controlling interest	6,293	(6,394)	384	283
Other individually immaterial non-controlling interest	-	-	-	424
	6,293	(6,394)	384	707

7. INVESTMENTS IN SUBSIDIARIES *cont'd*

(f) Material partly-owned subsidiaries *cont'd*

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations. *cont'd*

Summarised statement of comprehensive income for 2013:

	IESB RM'000	Cebarco WCT Bahrain RM'000	Cebarco WCT AD RM'000	Total RM'000
Revenue	-	-	129	129
Cost of sales	141	(8,887)	(14,223)	(22,969)
Other income	1,732	(793)	7,106	8,045
Administrative expenses	(115)	-	-	(115)
Other expenses	(26)	-	-	(26)
Profit/(loss) before tax	1,732	(9,680)	(6,988)	(14,936)
Income tax	(190)	-	-	(190)
Profit/(loss) for the year from continuing operations	1,542	(9,680)	(6,988)	(15,126)
Other comprehensive income for the year, net of tax	-	5,768	-	5,768
Total comprehensive income/(loss)	1,542	(3,912)	(6,988)	(9,358)
Attributable to:				
Non-controlling interest	617	(1,956)	(3,494)	(4,833)
Other individually immaterial non-controlling interest	-	-	-	(70)
	617	(1,956)	(3,494)	(4,903)

7. INVESTMENTS IN SUBSIDIARIES *cont'd*

(f) Material partly-owned subsidiaries *cont'd*

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations. *cont'd*

Summarised statement of financial position as at 31 December 2014:

	IESB RM'000	Cebarco WCT Bahrain RM'000	Total RM'000
Trade and other receivables (current)	75,882	44,552	120,434
Inventories and cash and bank balances (current)	11,920	13,356	25,276
Tax payable	(2,050)	-	(2,050)
Trade and other payables (current)	(15,840)	(25,990)	(41,830)
Amount due (to)/from related parties (current)	(18,435)	29,033	10,598
Total equity	51,477	60,951	112,428
Attributable to:			
Non-controlling interest	20,590	30,475	51,065
Other individually immaterial non-controlling interest	-	-	1,697
Total non-controlling interest	20,590	30,475	52,762

7. INVESTMENTS IN SUBSIDIARIES *cont'd*

(f) Material partly-owned subsidiaries *cont'd*

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations. *cont'd*

Summarised statement of financial position as at 31 December 2013:

	IESB RM'000	Cebarco WCT Bahrain RM'000	Cebarco WCT AD RM'000	Total RM'000
Trade and other receivables (current)	86,623	42,070	193	128,886
Inventories and cash and bank balances (current)	18,274	42,484	1,533	62,291
Provision for taxation	(684)	-	-	(684)
Property, plant and equipment and other non-current financial assets (non-current)	338	31,544	1,750	33,632
Trade and other payables (current)	(19,021)	(28,749)	(1,184)	(48,954)
Amount due to related parties (current)	(49,711)	(13,612)	(3,060)	(66,383)
Interest-bearing loans and borrowings and deferred tax liability (non-current)	(76)	-	-	(76)
Total equity	35,743	73,737	(768)	108,712
Attributable to:				
Non-controlling interest	14,297	36,869	(384)	50,782
Other individually immaterial non-controlling interest	-	-	-	1,273
Total non-controlling interest	14,297	36,869	(384)	52,055

7. INVESTMENTS IN SUBSIDIARIES *cont'd*

(f) Material partly-owned subsidiaries *cont'd*

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations. *cont'd*

	IESB	Cebarco WCT Bahrain	Cebarco WCT AD
	RM'000	RM'000	RM'000
Summarised cash flow information for year ended 31 December 2014:			
Operating	(6,391)	(54,508)	(3,028)
Investing	37	25,380	1,495
Financing	-	-	-
Net decrease in cash and cash equivalents	(6,354)	(29,128)	(1,533)
Summarised cash flow information for year ended 31 December 2013:			
Operating	(10,362)	(3,596)	(16,140)
Investing	5,797	6,225	11,391
Financing	-	-	-
Net (decrease)/increase in cash and cash equivalents	(4,565)	2,629	(4,749)

8. INVESTMENTS IN ASSOCIATES

	Group	
	2014	2013
	RM'000	RM'000
Unquoted shares, at cost	67,983	72,352
Group's share of post acquisition profit and reserves	99,229	92,491
	167,212	164,843
Share application monies	3,194	5,992
Exchange difference	(38,045)	(43,251)
	132,361	127,584
Represented by:		
Group's share of net identifiable assets	132,361	127,584

8. INVESTMENTS IN ASSOCIATES *cont'd*

Certain of the Group's associates issued redeemable and non-convertible debentures with a carrying amount of RM340,398,000 (2013: 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 installments over 5 years based on scheduled maturity dates commencing from 12 months after the date of allotment. At the reporting date, the carrying amount of the debentures are RM44,965,000 (2013: RM96,906,000).

Details of the associates are as follows:

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest 2014 (%)	2013 (%)
Held by WCT Berhad:				
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: holding company to the concessionaire holder of an expressway	30	30
- Mapex Infrastructure Private Limited ("Mapex")	India	Highway concessionaire	30	30
Suria Holding (Offshore) Private Limited and its subsidiary	Republic of Mauritius	Investment holding: holding company to the concessionaire holder of an expressway	30	30
- Emas Expressway Private Limited ("Emas")	India	Highway concessionaire	30	30
Held by WCT (Offshore) Private Limited:				
Gamuda-WCT (India) Private Limited	India	Engineering, procurement and construction works	30	30

8. INVESTMENTS IN ASSOCIATES *cont'd*

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

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest 2014 (%)	2013 (%)
Held by WCT Infrastructure (India) Private Limited:				
Perdana Highway Operations Private Limited	India	Investment holding	50	50

All 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.

The associate requires the shareholders' consent to distribute its profits. The shareholders does not foresee giving such consent at the reporting date.

These associates have no material capital commitments as at 31 December 2013 or 2014.

These associates have reported a combined contingent liabilities of RM7,920,000 (2013: RM7,690,000) as at reporting date.

Redemption of cumulative redeemable preferences shares ("CRPS")

During the financial year, Gamuda-WCT (Offshore) Private Limited has redeemed CRPS held by WCT (International) Private Limited for a total cash consideration of RM4,369,000 (2013: Nil).

8. INVESTMENTS IN ASSOCIATES *cont'd*

The following table summarises the information of the Group's material associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates.

2014	Mapex RM'000	Emas RM'000	Other individually immaterial associates RM'000	Total RM'000
(i) Summarised statements of financial position				
Non-current assets	150,696	118,611	214,959	484,266
Current assets	151,349	70,242	58,694	280,285
Total assets	302,045	188,853	273,653	764,551
Non-current liabilities	14,193	648	5,124	19,965
Current liabilities	88,602	43,689	24,486	156,777
Total liabilities	102,795	44,337	29,610	176,742
Net assets	199,250	144,516	244,043	587,809
(ii) Summarised statements of profit or loss and other comprehensive income				
Revenue	4,536	4,523	26,254	35,313
Finance income	36,274	24,935	-	61,209
Profit for the year	18,877	9,030	26,160	54,067
(iii) Group's share of net assets, representing carrying amount of Group's interest in associates	59,775	43,355	10,117	113,247
Foreign exchange effect on investments in subsidiaries of associates	-	-	19,114	19,114
	59,775	43,355	29,231	132,361
(iv) Group's share of results of associates				
Profit for the year	5,663	2,709	7,848	16,220
Dividend received from subsidiaries of associates	-	-	(7,827)	(7,827)
	5,663	2,709	21	8,393
(v) Dividend received from associates	-	-	1,655	1,655

8. INVESTMENTS IN ASSOCIATES *cont'd*

The following table summarises the information of the Group's material associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates. *cont'd*

2013	Mapex RM'000	Emas RM'000	Swarna RM'000	Other individually immaterial associates RM'000	Total RM'000
(i) Summarised statements of financial position					
Non-current assets	156,749	122,533	-	202,676	481,958
Current assets	171,745	75,739	-	56,006	303,490
Total assets	328,494	198,272	-	258,682	785,448
Non-current liabilities	34,988	10,225	-	4,811	50,024
Current liabilities	97,226	47,563	-	22,943	167,732
Total liabilities	132,214	57,788	-	27,754	217,756
Net assets	196,280	140,484	-	230,928	567,692
(ii) Summarised statements of profit or loss and other comprehensive income					
Revenue	4,561	4,548	72,079	29,247	110,435
Finance income	36,474	25,071	-	-	61,545
Profit for the year	22,950	12,743	8,992	26,582	71,268
(iii) Group's share of net assets, representing carrying amount of Group's interest in associates	58,884	42,145	-	6,152	107,181
Foreign exchange effect on investments in subsidiaries of associates	-	-	-	20,403	20,403
	58,884	42,145	-	26,555	127,584
(iv) Group's share of results of associates					
Profit for the year	6,885	3,823	2,347	7,975	21,030
Dividend received from subsidiaries of associates	-	-	-	(8,906)	(8,906)
	6,885	3,823	2,347	(931)	12,124
(v) Dividend received from associates	-	-	-	6,508	6,508

9. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

(a) Investments in joint operations

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

Name of joint operations	Country of operations	Principal activities	Proportion of ownership interest 2014 (%)	2013 (%)
Held by WCT Berhad:				
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..

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	
	2014	**2013**
	RM'000	**RM'000**
Assets and liabilities		
Current assets	20,672	24,403
Non-current assets	675,875	627,016
	696,547	651,419
Current liabilities	(473,887)	(434,079)
Non-current liabilities	(291,969)	(274,701)
	(765,856)	(708,780)
	(69,309)	(57,361)
Results		
Revenue	25	40,188
Expenses	(12,050)	(48,752)
Other income	77	17,761
(Loss)/profit before tax	(11,948)	9,197
Taxation	-	-
(Loss)/profit after tax	(11,948)	9,197

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

(b) Investments in joint ventures

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
				(Restated)
Unquoted shares, at cost	377,648	307,648	-	-
Group's share of post acquisition profits and reserves	14,900	7,911	-	-
Unrealised loss	2,600	-	-	-
Arising from ESOS granted to joint ventures' employees	236	135	236	135
	395,384	315,694	236	135
Represented by:				
Group's share of net identifiable assets	395,384	315,694	236	135

Details of the joint ventures are as follows:

Name of joint ventures	Country of incorporation	Principal activities	Proportion of ownership interest 2014 (%)	2013 (%)
Held by WCT Land Sdn. Bhd.:				
Segi Astana Sdn. Bhd. ("Segi Astana")	Malaysia	Concession holder of an integrated complex	70	70
Jelas Puri Sdn. Bhd. ("Jelas Puri")	Malaysia	Property investment and development	70	70

The following table summarises the information of the Group's material joint ventures, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the joint ventures.

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

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

2014	Jelas Puri RM'000	Segi Astana RM'000	Total RM'000
(i) Summarised statements of financial position			
Non-current assets	1,056,480	631,575	1,688,055
Current assets	204,968	65,584	270,552
Total assets	1,261,448	697,159	1,958,607
Non-current liabilities	640,644	489,620	1,130,264
Current liabilities	151,411	112,098	263,509
Total liabilities	792,055	601,718	1,393,773
Net assets	469,393	95,441	564,834
(ii) Summarised statements of profit or loss and other comprehensive income			
Revenue	91,802	77,775	169,577
Profit/(loss) for the year	16,273	(6,288)	9,985
(iii) Group's share of net assets, representing carrying amount of Group's interest in joint ventures	328,575	66,809	395,384
(iv) Group's share of results of joint ventures	11,391	(4,402)	6,989
(v) Share of capital commitment	87,954	-	87,954

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

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

2013	Jelas Puri RM'000	Segi Astana RM'000	Total RM'000
(i) Summarised statements of financial position			
Non-current assets	788,994	623,832	1,412,826
Current assets	295,216	33,852	329,068
Total assets	1,084,210	657,684	1,741,894
Non-current liabilities	529,182	492,568	1,021,751
Current liabilities	205,273	63,879	269,152
Total liabilities	734,455	556,447	1,290,903
Net assets	349,755	101,237	450,991
(ii) Summarised statements of profit or loss and other comprehensive income			
Revenue	66,125	-	66,125
Profit/(loss) for the year	16,320	(6,016)	10,304
(iii) Group's share of net assets, representing carrying amount of Group's interest in joint ventures	244,828	70,866	315,694
(iv) Group's share of results of joint ventures	11,424	(4,211)	7,213
Pre-acquisition profit	(136)	-	(136)
Total Group's share of results of joint ventures	11,288	(4,211)	7,077
(v) Share of capital commitment	73,538	3,035	76,573

The distribution of profits are subject to consents from the joint venture partners.

10. TRADE RECEIVABLES

	Group 2014 RM'000	Group 2013 RM'000
Current		
Trade receivables	387,366	256,134
Accrued billings in respect of property development	182,259	104,533
Retention sum on contracts receivable within 1 year	114,722	166,168
Due from contract customers	213,443	202,117
	897,790	728,952
Less: Allowance for doubtful debts	(21,146)	(22,137)
	876,644	706,815
Non-current		
Trade receivables	148,085	115,106
Retention sum on contracts receivable after 1 year	247,794	184,497
Due from contract customers	258,049	242,787
	653,928	542,390
Total	1,530,572	1,249,205

Details of the Group's trade receivables subject to arbitration proceedings are disclosed in Note 48.

(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 (2013: 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 contract customers 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. As 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 trade receivables are unrelated and in large number, there is no significant concentration of credit risk except as discussed below and in Note 48. 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.

10. TRADE RECEIVABLES *cont'd*

(a) Credit risk *cont'd*

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			
2014			
Not past due	778,225	-	778,225
Past due 0-30 days	22,818	-	22,818
Past due 31-120 days	10,842	-	10,842
Past due more than 120 days	86,082	(21,146)	64,936
	897,967	(21,146)	876,821
2013			
Not past due	606,498	-	606,498
Past due 0-30 days	1,721	-	1,721
Past due 31-120 days	9,016	-	9,016
Past due more than 120 days	104,670	(22,137)	82,533
	721,905	(22,137)	699,768

Movements of the allowance accounts are as follows:

	Group	
	2014 RM'000	2013 RM'000
At 1 January	22,137	9,617
Charge for the year	-	16,860
Reversal of impairment losses	(991)	(4,340)
At 31 December	21,146	22,137

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

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

10. TRADE RECEIVABLES *cont'd*

(b) Due from contract customers

Details of the amounts due from/(to) contract customers are as follows:

	Group	
	2014	**2013**
	RM'000	**RM'000**
Aggregate costs incurred to date	17,026,303	19,243,479
Add: Attributable profits	908,377	1,289,669
Less: Foreseeable losses	(37)	(25)
	17,934,643	20,533,123
Less: Progress billings	(17,695,557)	(20,237,211)
	239,086	295,912
Represented by:		
Due from contract customers	471,492	444,904
Due to contract customers (Note 17)	(232,406)	(148,992)
	239,086	295,912
Contract revenue recognised during the financial year (Note 32)	1,151,959	1,108,119
Contract cost recognised during the financial year (Note 33)	1,063,341	1,008,182

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

	Group	
	2014	**2013**
	RM'000	**RM'000**
Wages and salaries		
- direct	54,455	52,593
- seconded	-	1,493
Staff costs	18,941	15,891
Hiring of machineries	27,184	36,203
Rent of premises	181	2,204
Depreciation of property, plant and equipment	14,945	24,310
Property, plant and equipment written off	35	-

11. OTHER RECEIVABLES

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Current				
Sundry receivables	17,937	26,666	139	864
Deposits	11,054	10,269	1	-
Payment for land acquisition and related costs	11,538	137,020	-	-
Advances to sub-contractors	118,014	114,028	-	-
Prepayments	1,816	798	1,009	85
Advances to non-controlling interest of subsidiaries	16,745	-	-	-
	177,104	288,781	1,149	949
Less: Allowance for doubtful debts	(9,461)	(4,788)	-	-
	167,643	283,993	1,149	949
Non-current				
Deposits	6,154	6,593	-	-
Sundry receivables	17,119	14,504	-	-
Advances to sub-contractors	65,074	61,225	-	-
Performance security deposit (Note 48)	211,868	199,337	-	-
	300,215	281,659	-	-
	467,858	565,652	1,149	949

On 20 October 2014, Jubilant Courtyard Sdn. Bhd., a wholly-owned subsidiary of the Group, entered into a sale and purchase agreement with Matad Sdn. Bhd. for the acquisition of freehold land held under Geran 284618, Lot 27504; Geran 93465, Lot 27506; Geran 34713, Lot 4455; Geran 34715, Lot 4456 with a total land area measuring approximately 823,267.98 square metres, located at Seksyen 20, Bandar Serendah, Daerah Ulu Selangor, Negeri Selangor for a total consideration of RM115,381,000. A deposit of RM11,538,000 was paid. Subsequently on 31 October 2014, WCT Pioneer Development Sdn. Bhd., a wholly-owned subsidiary of the Group, entered into a supplemental sales and purchase agreement with Matad Sdn. Bhd. and Jubilant Courtyard Sdn. Bhd. for the acceptance of transfer of freehold land held under Geran 284618, Lot 27504 Seksyen 20, Bandar Serendah, Daerah Ulu Selangor, Negeri Selangor with a total land area measuring approximately 202,313 square metres for a total consideration of RM26,132,000.

Upon the completion of the conditions precedent, these payments for land acquisition and related costs will be reclassified to land held for property development.

11. OTHER RECEIVABLES *cont'd*

In the previous financial year, the Group entered into agreements to acquire lands for a total consideration of RM269,992,000 as follows:

(i) On 29 October 2013, WCT Realty Sdn. Bhd., a wholly-owned subsidiary of the Group, entered into a conditional lease purchase agreement with Ibzi Development (Johor) Sdn. Bhd. for the acquisition of leasehold land identified as Plots B31 and B32, respectively held under PTD 183269 HS(D) 505988 and PTD 183270 HS(D) 505989 with a total land area measuring approximately 1,087,650 square feet in aggregate, located in Zone B, Medini, Mukim Pulai, Johor Bahru, Johor Darul Takzim, for a total purchase consideration of RM54,383,000.

(ii) Platinum Meadow Sdn. Bhd., a wholly-owned subsidiary of the Group, entered into agreements with Global Capital and Development Sdn. Bhd. for the following acquisitions:

(aa) Asset purchase agreement on 14 December 2010 for the acquisition of leasehold lands in respect of building Plots B25, B26, B27 and B28, all held under master title PTD 154495 HS(D) 453628 with land area measuring approximately 15,361,434 square feet, located in Zone B, Medini, Mukim Pulai, Johor Bahru, Johor Darul Takzim, for a total purchase consideration of RM48,577,000; and

(bb) Lease purchase agreement on 22 August 2013 for the acquisition of leasehold lands in respect of building Plots B24, B29 and B30, respectively held under PTD 183262 HS(D) 505981, PTD 183267 HS(D) 505986 and PTD 183268 HS(D) 505987 with respective land area measuring approximately 26,749.51 square metres, located in Zone B, Medini, Mukim Pulai, Johor Bahru, Johor Darul Takzim, for a total purchase consideration of RM73,090,000.

(iii) On 1 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 leasehold land held under PTD 170707 HS(D) 484847 with a total land area measuring approximately 18.12 acres, located in Zone A, Medini, Mukim Pulai, Johor Bahru, Johor Darul Takzim, for a total purchase consideration of RM93,942,000.

The Group has paid RM137,020,000 deposits and land related costs in respect of these acquisitions.

These acquisitions of land were completed during the current financial year.

11. OTHER RECEIVABLES *cont'd*

(a) Credit risk

Movements of the allowance accounts are as follows:

	Group	
	2014	2013
	RM'000	RM'000
At 1 January	4,788	3,984
Charge for the year	4,670	973
Reversal of impairment losses	(33)	(169)
Exchange differences	36	-
At 31 December	9,461	4,788

At the reporting date, the Group'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 outstanding advances to sub-contractors in excess of 1 year as at 31 December 2014 amounted to RM35,229,000 (2013: RM59,852,000). 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.

Details of other receivables of the Group subject to arbitration proceedings are disclosed in Note 48.

12. DUE FROM/(TO) RELATED PARTIES

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000 (Restated)
Due from related parties:				
Current				
Subsidiaries				
- current accounts				
- interest bearing	-	-	1,859,761	1,115,219
- non-interest bearing	-	-	7,087	14,542
Associates				
- non-interest bearing	1,213	1,107	-	-
Joint ventures				
- trade accounts				
- interest bearing	102,859	122,082	-	-
- non-interest bearing	34,890	16,681	-	-
- current accounts				
- interest bearing	75,331	109,084	-	-
- non-interest bearing	706	3,922	300	-
	214,999	252,876	1,867,148	1,129,761
Non-current				
Joint ventures				
- trade accounts				
- non-interest bearing	9,919	14,757	-	-
	224,918	267,633	1,867,148	1,129,761
Due to related parties:				
Current				
Subsidiaries				
- current accounts				
- interest bearing	-	-	(235,567)	(91,236)
- non-interest bearing	-	-	(1)	(6,799)
	-	-	(235,568)	(98,035)

Further details on related party transactions and information on financial risks are disclosed in Notes 40 and 44 respectively.

Amounts due from/(to) related parties are unsecured, bore interest ranging from 4.61% to 6.35% (2013: 4.61% to 6.10%) per annum during the financial year with credit terms of 15 days (2013: Repayable on demand) and are to be settled in cash.

13. DEFERRED TAXATION *cont'd*

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
At 1 January	21,817	15,860	(420)	-
Recognised in the profit or loss (Note 37)	(7,867)	(1,211)	(3,842)	(420)
Disposal of a subsidiary	-	6,696	-	-
Recognised in equity	-	527	-	-
Exchange differences	5	(55)	-	-
At 31 December	13,955	21,817	(4,262)	(420)
Presented after appropriate offsetting as follows:				
Deferred tax assets	(21,445)	(16,028)	(4,262)	(420)
Deferred tax liabilities	35,400	37,845	-	-
	13,955	21,817	(4,262)	(420)

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

Deferred tax assets of the Group:

	Provision for foreseeable losses	Other payables	Unused tax losses and unabsorbed capital allowances	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2014	(4)	(3,129)	(6,470)	(9,603)
Recognised in the profit or loss	-	(3,779)	(1,903)	(5,682)
Exchange differences	-	5	-	5
At 31 December 2014	(4)	(6,903)	(8,373)	(15,280)
At 1 January 2013	(9)	(1,385)	(16,670)	(18,064)
Recognised in the profit or loss	5	(1,721)	1,256	(460)
Disposal of a subsidiary	-	29	8,944	8,973
Exchange differences	-	(52)	-	(52)
At 31 December 2013	(4)	(3,129)	(6,470)	(9,603)

13. DEFERRED TAXATION *cont'd*

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

Deferred tax liabilities of the 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 2014	(9,510)	9,514	31,416	31,420
Recognised in the profit or loss	(3,124)	235	704	(2,185)
At 31 December 2014	(12,634)	9,749	32,120	29,235
At 1 January 2013	(3,260)	1,494	35,690	33,924
Recognised in the profit or loss	(9,498)	7,493	1,254	(751)
Disposal of a subsidiary	3,248	-	(5,525)	(2,277)
Recognised in equity	-	527	-	527
Exchange differences	-	-	(3)	(3)
At 31 December 2013	(9,510)	9,514	31,416	31,420

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Deferred tax assets of the Company:

	Other payables RM'000
At 1 January 2014	(420)
Recognised in the profit or loss	(3,842)
At 31 December 2014	(4,262)
At 1 January 2013	-
Recognised in the profit or loss	(420)
At 31 December 2013	(420)

14. INVENTORIES

	Group 2014 RM'000	Group 2013 RM'000
Consumable stocks, at cost	666	607
Properties held for sale, at cost	85,448	70,269
Properties held for sale, at net realisable value	4,596	4,699
	90,710	75,575
Costs of inventories recognised as an expense	59,367	71,560

Certain properties held for sale with an aggregate carrying amount of RM6,661,000 (2013: RM7,744,000) is in the process of being registered in the respective subsidiaries' names.

15. MARKETABLE SECURITIES

	Group 2014 RM'000	Group 2013 RM'000
Current		
At fair value		
Marketable securities	-	65,721

16. CASH AND BANK BALANCES

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Deposits:				
With licensed banks [(a) and (b)]	814,076	639,860	181,696	471,548
With a licensed bank held under Finance Service Reserve Account [(c)]	-	102,274	-	-
With a licensed bank (restricted) [(d)]	770	770	-	-
	814,846	742,904	181,696	471,548
Cash and bank balances	83,135	92,555	11,788	1,084
Cash held under Housing Development Accounts [(e)]	52,860	137,944	-	-
	135,995	230,499	11,788	1,084
Total cash and bank balances	950,841	973,403	193,484	472,632

(a) The maturities of the deposits are as follows:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Less than 3 months	813,916	639,704	181,696	471,548
More than 3 months but less than 1 year	160	156	-	-
	814,076	639,860	181,696	471,548

(b) Deposits with licensed banks of the Group amounting to RM11,052,000 (2013: RM13,994,000) are pledged to banks to secure banking facilities.

(c) Designated for the payment of profit element of the unsecured IMTN as disclosed in Note 24.

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

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

Other information on financial risks of cash and bank balances are disclosed in Note 44.

17. TRADE PAYABLES

	Group	
	2014	**2013**
	RM'000	**RM'000**
Current		
Trade payables	461,490	297,996
Accrued billings	-	17,371
Retention sum payable within 1 year	141,586	151,440
Due to contract customers (Note 10(b))	232,406	148,992
	835,482	615,799
Non-current		
Trade payables	4,765	4,483
Retention sum payable after 1 year	84,614	61,333
	89,379	65,816
Total	924,861	681,615

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2013: 30 to 90 days).

Details of trade payables subject to arbitration proceedings are disclosed in Note 48.

18. OTHER PAYABLES

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Current				
Sundry payables	7,678	14,988	45	25
Accruals	50,597	73,506	21,042	13,014
Provision for foreseeable losses [(a)]	11,733	22,250	-	-
Advances received from customers on contracts	80,709	24,342	-	-
Advances from a non-controlling interest of subsidiaries				
- non-interest bearing	6,770	35,585	-	-
Advances from shareholders of joint ventures				
- non-interest bearing	35,264	33,316	-	-
Others	14,778	22,941	248	-
	207,529	226,928	21,335	13,039
Non-current				
Sundry payables	219,349	209,820	-	-
Advances received from customers on contracts	103,163	180,459	-	-
Others	5,858	-	-	-
	328,370	390,279	-	-
	535,899	617,207	21,335	13,039

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 48.

18. OTHER PAYABLES

(a) Movements in the provision for foreseeable losses are as follows:

	Group	
	2014	2013
	RM'000	RM'000
At 1 January	22,250	34,812
Charge for the year	1,988	-
Write-off	(12,505)	-
Reversal made during the year	-	(12,562)
At 31 December	11,733	22,250

During the year, the provision for foreseeable losses was reduced as a result of additional variation orders approved and paid by Sarawak Hidro Sdn. Bhd. to a joint operation.

19. BORROWINGS

		Group		Company	
		2014	2013	2014	2013
	Note	RM'000	RM'000	RM'000	RM'000
Current					
Secured:					
Hire purchase payables	20	7	124	-	-
Revolving credits	21	88,000	-	-	-
Term loans	22	21,600	12,000	-	-
		109,607	12,124	-	-
Unsecured:					
Bank overdrafts	23	5,429	2,679	-	-
Revolving credits	21	43,049	-	-	-
Islamic Medium Term Notes ("IMTN")	24	100,000	300,000	100,000	300,000
Serial Fixed Rate Bonds ("Bonds")	25	292,385	-	292,385	-
Term loans	22	33,642	54,265	-	-
		474,505	356,944	392,385	300,000
		584,112	369,068	392,385	300,000

19. BORROWINGS *cont'd*

		Group		Company	
		2014	2013	2014	2013
	Note	RM'000	RM'000	RM'000	RM'000
Non-current					
Secured:					
Hire purchase payables	20	-	7	-	-
Term loans	22	246,400	268,000	-	-
		246,400	268,007	-	-
Unsecured:					
Serial Fixed Rate Bonds ("Bonds")	25	-	285,065	-	285,065
Medium Term Notes ("MTN")	26	1,000,000	1,000,000	1,000,000	1,000,000
Sukuk Murabahah	27	600,000	-	600,000	-
		1,600,000	1,285,065	1,600,000	1,285,065
		1,846,400	1,553,072	1,600,000	1,285,065
Total borrowings					
Hire purchase payables	20	7	131	-	-
Bank overdrafts	23	5,429	2,679	-	-
Revolving credits	21	131,049	-	-	-
Term loans	22	301,642	334,265	-	-
Islamic Medium Term Notes ("IMTN")	24	100,000	300,000	100,000	300,000
Serial Fixed Rate Bonds ("Bonds")	25	292,385	285,065	292,385	285,065
Medium Term Notes ("MTN")	26	1,000,000	1,000,000	1,000,000	1,000,000
Sukuk Murabahah	27	600,000	-	600,000	-
		2,430,512	1,922,140	1,992,385	1,585,065

Other information on the borrowings are disclosed in Note 44.

20. HIRE PURCHASE PAYABLES

	Group	
	2014	**2013**
	RM'000	**RM'000**
Future minimum lease payments:		
Not later than 1 year	7	128
Later than 1 year and not later than 2 years	-	7
Total future minimum lease payments	7	135
Less: Future finance charges	-	(4)
Present value of finance lease liabilities	7	131
Analysis of present value of hire purchase payables:		
Not later than 1 year	7	124
Later than 1 year and not later than 2 years	-	7
	7	131
Less: Amount due within 12 months	(7)	(124)
Amount due after 12 months	-	7

21. REVOLVING CREDITS

	Group	
	2014	**2013**
	RM'000	**RM'000**
Secured		
Revolving credits	88,000	-
Unsecured		
Revolving credits	43,049	-
	131,049	-

The secured revolving credits are secured on the same terms as Term loan I as mentioned in Note 22 and bore interest of 1% (2013: Nil) per annum over the bank's cost of funds.

21. REVOLVING CREDITS *cont'd*

The unsecured revolving credit bears interest at rates ranging from 4.69% to 7.00% (2013: Nil) per annum. Interest accrues from the utilisation date to the date of repayment or prepayment of that utilisation. All accrued interest is payable on the last day of each term.

22. TERM LOANS

	Group	
	2014	**2013**
	RM'000	**RM'000**
Secured		
Term loan I	268,000	280,000
Unsecured		
Term loan II	33,642	54,265
Total term loans	301,642	334,265

	Group	
	2014	**2013**
	RM'000	**RM'000**
The term loans are repayable as follows:		
Not later than 1 year	55,242	66,265
Later than 1 year and not later than 2 years	21,600	21,600
Later than 2 years and not later than 5 years	224,800	246,400
	301,642	334,265
Less: Amount due within 12 months	(55,242)	(66,265)
Amount due after 12 months	246,400	268,000

Term loan I together with the revolving credits as mentioned in Note 21 are secured by way of a fixed charge over the freehold land owned by two subsidiaries, debentures over an investment property owned by a subsidiary ("the Mall") as well as a 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 insurance of the Mall and the 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% (2013: 4.98%) per annum.

The short term loan II has been taken from a financial institution in Qatar to finance the projects of the Qatar Branch. This loan carries finance costs at commercial rate of 5.5%. The loan has a maturity period of 6 months and will be due in April 2015.

23. BANK OVERDRAFTS

	Group	
	2014	2013
	RM'000	RM'000
Unsecured	5,429	2,679

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

24. ISLAMIC MEDIUM TERM NOTES ("IMTN")

	Group/Company	
	2014	2013
	RM'000	RM'000
IMTN I	100,000	200,000
IMTN II	-	100,000
	100,000	300,000
The IMTNs are repayable as follows:		
Not later than 1 year	100,000	300,000

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 periods 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.

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

IMTN I *cont'd*

On 14 June 2012, WCTB 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%.

On 27 June 2014, WCTB drawn down RM100 million of the IMTN under the IMTN Programme with the tenure of 9 months from issue date. The maturity date of the IMTN is 27 March 2015 and yield to maturity at issuance date was 3.88%.

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 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.

On 19 July 2012, WCTB 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%.

The novation of the IMTNs to the Company from WCTB pursuant to the internal reorganisation exercise was completed on 14 October 2013.

25. SERIAL FIXED RATE BONDS ("BONDS")

	Group/Company	
	2014	**2013**
	RM'000	**RM'000**
The Bonds are repayable as follows:		
Not later than 1 year	292,385	-
Later than 1 year and not later than 2 years	-	285,065
	292,385	285,065
Less: Amount due within 12 months	(292,385)	-
Amount due after 12 months	-	285,065

WCTB 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 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 WCTB shares held on at an offer price of RM0.34 per warrant.

The coupon is 2.50% 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.

The novation of the Bonds to the Company from WCTB pursuant to the internal reorganisation exercise was completed on 14 October 2013.

26. MTN PROGRAMME ("MTN")

	Group/Company	
	2014	**2013**
	RM'000	**RM'000**
The MTNs are repayable as follows:		
Later than 2 years and not later than 5 years	200,000	200,000
Later than 5 years	800,000	800,000
Amount due after 12 months	1,000,000	1,000,000

26. MTN PROGRAMME ("MTN")

On 27 March 2013, WCTB ("Issuer") established a MTN Program of up to RM1.0 billion in nominal value for the issuance of MTNs to principally fund the Group 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 Program, 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 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 Securities Commission Malaysia's approval of the MTN Program. 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 Program.

The MTNs was issued via bought deal basis.

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

On 9 April 2013, WCTB drawn down RM200 million and RM300 million of the MTN under the MTN Program with tenures of 5 years and 7 years respectively. The maturity date of the MTN is 9 April 2018 and 9 April 2020 and yield to maturity at issuance date was 4.20% and 4.40% respectively.

On 30 August 2013, WCTB drawn down RM500 million of the MTN under the MTN Program with a tenure of 7 years from issue date. The maturity date of the MTN is 28 August 2020 and yield to maturity at issuance date was 4.60%.

The novation of the MTN to the Company from WCTB pursuant to the internal reorganisation exercise was completed on 14 October 2013.

27. SUKUK MURABAHAH PROGRAMME

	Group/Company	
	2014	**2013**
	RM'000	**RM'000**
The Sukuk Murabahah are repayable as follows:		
Later than 5 years, representing amount due after 12 months	600,000	-

On 25 September 2014, the Company established a Sukuk Murabahah Programme for the issuance of Sukuk ("Sukuk Murabahah") based on the Shariah principle of Murabahah involving Shariah-compliant commodities of up to RM1.5 billion in nominal value ("Sukuk Murabahah Programme").

27. SUKUK MURABAHAH PROGRAMME *cont'd*

The Sukuk Murabahah were constituted by a Trust Deed dated 13 October 2014 between the Company and the Trustee for the holders of the Sukuk Murabahah.

The Sukuk Murabahah Programme shall have tenure of 15 years from the date of first issue of the Sukuk Murabahah provided that the first issuance of Sukuk Murabahah shall be made no later than 2 years from the date of the Securities Commission Malaysia's approval and authorisation of the Sukuk Murabahah Programme. Each Sukuk Murabahah shall be issued for tenures of more than 1 year and up to fifteen 15 years from the date of issuance, at the option of the Company, provided always that no Sukuk Murabahah shall mature beyond the tenure of the Sukuk Murabahah Programme.

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

Proceeds from the issuance of the Sukuk Murabahah will be utilised for the following purposes which are Shariah-compliant:

(i) To fund WCT Group's working capital requirements, capital expenditure and investments specific to WCT Group's principal activities, excluding the construction or acquisition of hotel(s);

(ii) Refinancing of WCT Group's existing borrowings;

(iii) To fund the Trustee's Reimbursement Account; and/or

(iv) To defray fees and expenses incurred in relation to the Sukuk Murabahah Programme.

The Company issued RM600 million of Sukuk Murabahah on 23 October 2014 under the Shariah principle of Murabahah in 3 series and have tenures of 7, 8 and 9 years.

The profits are 4.95%, 5.05% and 5.17% per annum respectively and payable semi-annually in arrears commencing 6 months after the issue date.

28. SHARE CAPITAL

		Group			
		Number of ordinary shares of RM0.50 each		Amount	
		2014	2013	2014	2013
		'000	'000	RM'000	RM'000
Authorised:					
At 1 January		2,000,000	1,400,000	1,000,000	700,000
Arising from internal reorganisation exercise		-	600,000	-	300,000
At 31 December		2,000,000	2,000,000	1,000,000	1,000,000
Issued and fully paid:					
At 1 January		1,092,462	951,640	546,231	475,820
Share Options exercised under:					
- ESOS 2012/2022	(Note 28(c))	-	6,351	-	3,176
- ESOS 2013/2023	(Note 28(d))	73	124	36	62
Conversion of Warrants					
- 2008/2013	(Note 28(e))	-	133,136	-	66,568
- 2013/2016	(Note 28(f))	14	16	7	8
- 2013/2017	(Note 28(g))	3	1,195	2	597
At 31 December		1,092,552	1,092,462	546,276	546,231

28. SHARE CAPITAL *cont'd*

		Company			
		Number of ordinary shares of RM0.50 each		Amount	
		2014	2013	2014	2013
		'000	'000	RM'000	RM'000
Authorised:					
At 1 January		2,000,000	200	1,000,000	100
Created during the year		-	1,999,800	-	999,900
At 31 December		2,000,000	2,000,000	1,000,000	1,000,000
Issued and fully paid:					
At 1 January		1,092,462	-	546,231	-
Arising from internal reorganisation exercise		-	1,092,181	-	546,090
Share Options exercised under:					
- ESOS 2013/2023	(Note 28(d))	73	124	36	62
Conversion of Warrants					
- 2013/2016	(Note 28(f))	14	14	7	7
- 2013/2017	(Note 28(g))	3	143	2	72
At 31 December		1,092,552	1,092,462	546,276	546,231

(a) Issue of shares

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM546,231,457.50 to RM546,276,182.00, by way of:

(i) issuance of 73,000 new ordinary shares of RM0.50 each pursuant to the exercise of the ESOS 2013/2023 at the exercise prices ranging between RM2.05 and RM2.15 per ordinary share; and

(ii) issuance of 16,449 ordinary shares of RM0.50 each pursuant to the conversion of Warrants 2013/2016 and Warrants 2013/2017 at exercise prices ranging between RM2.04 and RM2.25 per ordinary share for cash.

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

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

28. SHARE CAPITAL *cont'd*

(b) Treasury shares

During the financial year, the Company repurchased a total of 25,775,800 of its issued ordinary shares from the open market at an average price of RM1.96 per share. The total consideration paid for the repurchase including transaction costs was RM50,587,431. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

A total of 10,809,930 treasury shares were distributed as share dividend on 10 October 2014 on the basis of 1 treasury share for every 100 ordinary shares of RM0.50 each held in the Company, fractions of treasury shares being disregarded.

As at 31 December 2014, the Company held 14,965,870 treasury shares with a carrying amount of RM27,266,268.

None of the treasury shares held were resold or cancelled during the financial year under review.

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

WCT Berhad's ("WCTB") 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 WCTB 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;

28. 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*

(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 WCTB;

(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 WCTB's shares traded on Bursa Securities for the 5 market days preceding the date of offer, or the par value of the shares of WCTB 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 WCTB and/or such percentage of the total new shares of WCTB 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; and

(ix) Subject to the ESOS By-Laws, an ESOS Option can be exercised by the Grantee, by notice in writing to WCTB 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.

Pursuant to the internal reorganisation exercises of the Company and WCTB, the ESOS 2012/2022 was terminated on 1 July 2013 and all the unexercised Option automatically lapsed after 1 July 2013.

28. SHARE CAPITAL *cont'd*

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

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

		Number of Share Options					
		Outstanding at 1 January	Movement During the Year Granted	(Exercised)	Forfeited	Outstanding at 31 December	Exercisable at 31 December
2013		**'000**	**'000**	**'000**	**'000**	**'000**	**'000**
Grant date	**Exercise Price RM**						
2 July 2012	1.63	6,718	-	(6,351)	(367)	-	-
WAEP (RM)		1.63	-	1.63	1.63	-	-

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

	WAEP RM	Exercise period
2013		
Date granted		
2 July 2012	1.63	02.07.2012 - 30.06.2013

(ii) Share options exercised during the previous financial year

Options exercised in the previous financial year resulted in the issuance of 6,350,900 ordinary shares of RM0.50 each at an average share price of RM1.63. The related weighted average share price at the date of exercise was RM2.29.

28. SHARE CAPITAL *cont'd*

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

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

The fair value of share options granted 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.

(d) Employee share options scheme 2013/2023 ("ESOS 2013/2023")

The Company's ESOS 2013/2023 is governed by the By-Laws which was approved by the shareholders at the Extraordinary General Meeting held on 26 April 2013.

The salient terms of the ESOS 2013/2023 are as follows:

(i) Subject to the ESOS By-Laws, the maximum number of options granted under the ESOS 2013/2023 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 30 August 2013 ("ESOS Option Period");

(ii) Any employee and Directors of the Group shall be eligible to participate in the ESOS 2013/2023 if, as at the date of the ESOS 2013/2023 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.

28. SHARE CAPITAL *cont'd*

(d) Employee share options scheme 2013/2023 ("ESOS 2013/2023") *cont'd*

The salient terms of the ESOS 2013/2023 are as follows: *cont'd*

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 (d) (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 10% of the Options available under the ESOS 2013/2023 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;

(iv) 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;

(v) 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;

(vi) 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;

(vii) An ESOS 2013/2023 offer may be made upon such terms and conditions as the Options Committee may decide from time to time. Each ESOS 2013/2023 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; and

(viii) 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.

28. SHARE CAPITAL *cont'd*

(d) Employee share options scheme 2013/2023 ("ESOS 2013/2023") *cont'd*

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)	Forfeited	Outstanding at 31 December	Exercisable at 31 December
		'000	'000	'000	'000	'000	'000
2014							
Grant date	**Exercise Price RM**						
30 August 2013	2.15	9,813	-	(65)	(709)	9,039	9,039
15 August 2014	2.05	-	10,140	(8)	(77)	10,055	10,055
		9,813	10,140	(73)	(786)	19,094	19,094
WAEP (RM)		2.15	2.05	2.14	2.14	2.10	2.10
2013							
Grant date	**Exercise Price RM**						
30 August 2013	2.15	-	9,937	(124)	-	9,813	9,813
WAEP (RM)		-	2.15	2.15	-	2.15	2.15

28. SHARE CAPITAL *cont'd*

(d) Employee share options scheme 2013/2023 ("ESOS 2013/2023") *cont'd*

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

	WAEP RM	Exercise period
2014		
Date granted		
30 August 2013	2.15	30.08.2013 - 17.08.2023
15 August 2014	2.05	15.08.2014 - 17.08.2023
2013		
Date granted		
30 August 2013	2.15	30.08.2013 - 17.08.2023

At 31 December 2014 there are 19,094,000 options exercisable at the WAEP of RM2.10 each. The exercise and vesting period is from 30 August 2013 to 17 August 2023.

(ii) Share options exercised during the financial year

Options exercised during the financial year resulted in the issuance of 73,000 ordinary shares of RM0.50 each (2013: 124,000 ordinary shares of RM0.50 each) at exercise prices ranging between RM2.05 and RM2.15 (2013: RM2.15). The related weighted average share price at the date of exercise was RM2.29 (2013: RM2.49).

(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:

	15 August 2014	30 August 2013
Fair value of share options at grant date (RM)	0.24	0.40
Weighted average share price (RM)	2.29	2.44
Weighted average exercise price (RM)	2.05	2.15
Expected volatility (%)	21.95%	16.66%
Expected life (year)	10.00	10.00
Risk free rate (%)	4.10%	3.42%
Expected dividend yield (%)	2.90%	2.73%

28. SHARE CAPITAL *cont'd*

(d) Employee share options scheme 2013/2023 ("ESOS 2013/2023") *cont'd*

(iii) Fair value of share options granted during the financial year *cont'd*

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.

(e) Warrants 2008/2013

The movements in these warrants during the financial year to take up new ordinary shares of RM0.50 each in WCTB were as follows:

	Group Number of warrants '000
At 1 January 2013	135,458
Converted to ordinary shares	(133,136)
Lapsed	(2,322)
At 31 December 2013/31 December 2014	-

The salient terms of these warrants were 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 in WCTB;

(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 a 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 2013/2016;

(iii) Further adjustments 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 to ensure that the status of the holders of Warrants 2008/2013 not prejudiced as a result of the Bonus Issue of Shares and the Bonus Issue of Warrants;

(iv) The exercise price was RM1.85 per ordinary share of RM0.50 each in WCTB and each warrant entitled the registered holder to subscribe for 1 new ordinary share in WCTB during the exercise period;

(v) The exercise period was for a period of 5 years commencing on and including the date of allotment of the warrants. Warrants not exercised during the exercise period lapsed and ceased to be valid;

28. SHARE CAPITAL *cont'd*

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

The salient terms of these warrants were as follows: *cont'd*

(vi) The new ordinary shares issued pursuant to the exercise of the warrants will, upon allotment and issue, rank *pari passu* in all respects with the existing ordinary shares in WCTB save and except that the holders of the new ordinary shares in WCTB were not 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 in WCTB pursuant to the exercise of the warrants;

(vii) In the case of a members' voluntarily winding up, or a compromise or arrangement between WCTB 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 WCTB 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 WCTB, or within 6 weeks after the granting of the court order in respect of the compromise or arrangement; and

(viii) The warrant holders were not entitled to any voting rights or to participate in any distribution and/or offer of further securities in WCTB until and unless such warrant holders exercise their warrants for new ordinary shares in WCTB.

Warrants 2008/2013 lapsed on 22 April 2013.

(f) Warrants 2013/2016

The movement in these warrants during the financial year to take up new ordinary shares of RM0.50 each in the Company were as follows:

	Group Number of warrants '000	Company Number of warrants '000
At 1 January 2013	157,015	-
Arising from internal reorganisation exercise	-	157,013
Converted to ordinary shares	(16)	(14)
At 31 December 2013/1 January 2014	156,999	156,999
Converted to ordinary shares	(14)	(14)
At 31 December 2014	156,985	156,985

28. SHARE CAPITAL *cont'd*

(f) Warrants 2013/2016 *cont'd*

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 in 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 in the Company during the exercise period;

(iii) Adjustment was made to the exercise price of the outstanding Warrants 2013/2016 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 2013/2016 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 this 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 this warrants will, upon allotment and issue, rank *pari passu* in all respects with the 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 (as amended and varied via the supplemental Deed Poll dated 30 August 2012);

(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.

157,014,351 Warrants 2013/2016 were issued on 1 July 2013 pursuant to the securities exchange made between the Company and WCTB pursuant to a scheme of arrangement under Section 176 of the Companies Act, 1965. The Warrants 2013/2016 were listed on the Bursa Securities on 8 July 2013.

28. SHARE CAPITAL *cont'd*

(g) Warrants 2013/2017

The movements in these warrants during the financial year to take up new ordinary shares of RM0.50 each in the Company were as follows:

	Group Number of warrants '000	Company Number of warrants '000
At 1 January 2013	164,829	-
Arising from internal reorganisation exercise	-	163,777
Converted to ordinary shares	(1,195)	(143)
At 31 December 2013/1 January 2014	163,634	163,634
Converted to ordinary shares	(3)	(3)
At 31 December 2014	163,631	163,631

The salient terms of the warrants are as follows:

(i) The warrants were 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 in 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 in 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 this 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 this warrants will, upon allotment and issue, rank *pari passu* in all respects with the 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

28. SHARE CAPITAL *cont'd*

(g) Warrants 2013/2017 *cont'd*

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

(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.

163,777,448 Warrants 2013/2017 were issued on 1 July 2013 pursuant to the securities exchange made between the Company and WCTB pursuant to a scheme of arrangement under Section 176 of the Companies Act, 1965. The Warrants 2013/2017 were listed on the Bursa Securities on 8 July 2013.

29. SHARE PREMIUM

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Non-distributable				
At 1 January	2,173,973	394,086	2,173,973	-
Arising from internal reorganisation exercise	-	1,554,791	-	2,173,440
Arising from share options exercised	120	7,381	120	205
Arising from conversion of warrants	26	181,850	26	273
Transfer within reserve arising from ESOS exercised	28	2,723	28	50
Transfer within reserve arising from warrants exercised	4	33,142	4	5
At 31 December	2,174,151	2,173,973	2,174,151	2,173,973

30. RESERVES

		Group		Company	
		2014	2013	2014	2013
	Note	RM'000	RM'000	RM'000	RM'000
Non-distributable					
Revaluation reserve	(a)	23,670	27,729	-	-
Other reserve		140	217	-	-
Capital reserve	(b)	2,846	2,846	-	-
Equity compensation reserve	(c)	5,169	3,291	5,169	3,291
Exchange reserve	(d)	(99,337)	(103,777)	-	-
Warrants reserve	(e)	53,023	53,027	53,023	53,027
Internal reorganisation reserve	(f)	(1,554,791)	(1,554,791)	-	-
		(1,569,280)	(1,571,458)	58,192	56,318
Distributable					
General reserve	(g)	1,438	1,438	-	-
Retained profits	(h)	1,109,061	1,054,122	273,976	340,014
		1,110,499	1,055,560	273,976	340,014
		(458,781)	(515,898)	332,168	396,332

The nature and purpose of each category of the 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.

30. RESERVES *cont'd*

(e) Warrant reserve

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

(f) Internal reorganisation reserve

Internal reorganisation reserve is used to record the differences arising from the share premium of the Company's and the share premium of WCTB pursuant to the securities exchange made between the Company and WCTB pertaining to a scheme of arrangement under Section 176 of the Companies Act, 1965.

(g) General reserve

(i) Under the provisions of the Bahrain Commercial Companies Law, a statutory reserve equivalent to 10% of the subsidiary's net profit before appropriations is required to be transferred to a non-distributable reserve account until no less than 50% of the share capital; and

(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 12.50% of paid-up capital	Not less than 2.50% of current profits
~ Exceeds 12.50% 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 7.50% of current profits
~ Exceeds 20% of paid-up capital	Not less than 10% of current profits

(h) Retained profits

The Company may distribute dividends out of its entire retained profits as of 31 December 2014 and 31 December 2013 under the single tier system.

31. NON-CONTROLLING INTEREST

	Group	
	2014	2013
	RM'000	RM'000
At 1 January	52,055	56,958
Share of losses for the financial year	(1,947)	(7,797)
Exchange differences	2,654	2,894
At 31 December	52,762	52,055

32. REVENUE

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Contract revenue on engineering and road construction works (Note 10(b))	1,151,959	1,108,119	-	-
Interest income	7,941	3,695	68,927	18,599
Dividend income	-	-	22,936	393,185
Management fees	761	164	3,950	1,044
Sale of development properties	359,849	389,832	-	-
Sale of goods	50,382	56,410	-	-
Sale of properties held for sale	31,560	35,239	-	-
Rental income	30,010	32,553	-	-
Car park income	4,209	4,321	-	-
Hotel income	25,551	24,618	-	-
	1,662,222	1,654,951	95,813	412,828

33. COST OF SALES

	Group	
	2014	2013
	RM'000	RM'000
Construction contract costs (Note 10(b))	1,063,341	1,008,182
Cost of development properties sold (Note 5(b))	279,948	269,098
Cost of goods sold	47,714	53,670
Cost of properties held for sale	11,653	17,890
Cost of maintenance of investment properties	5,089	5,423
Cost of services provided	8,143	8,241
Cost incurred on car park operation	3,114	3,013
Cost of sales - hotel	9,633	9,431
	1,428,635	1,374,948

34. OTHER OPERATING INCOME/(LOSS)

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Interest income	17,238	28,099	153	-
Interest from joint ventures	14,436	11,436	-	-
Unrealised gain on foreign exchange	18,050	35,727	-	-
Rental income	2,535	2,217	-	-
(Loss)/gain on disposal of property,plant and equipment	(16,245)	4,125	-	-
Loss on disposal of investment in subsidiaries	-	(5,156)	-	-
Gain on disposal of investment in associates	-	10,355	-	-
Gain on disposal of properties held for sale	53	709	-	-
Realised gain/(loss) on foreign exchange	10,842	(8,038)	-	-
Fair value gain on investment properties (Note 6)	9,945	51,105	-	-
Finance income/(expense) from loan and receivables	1,011	(2,869)	-	-
Sale of scaffolding	97	1,515	-	-
Insurance claim	531	1,060	-	-
Reversal of allowance for impairment of trade and other receivables	1,024	4,509	-	-
Write back in value of properties held for sale	170	626	-	-
Dividend income from marketable securities	1,234	2,019	-	-
Others	25	3,000	-	1
	60,946	140,439	153	1

35. FINANCE COSTS

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Interest expense				
- term loans	13,649	16,758	-	-
- interest on Bonds	7,500	14,918	7,500	3,165
- bank overdrafts	44	38	-	-
- banker's acceptances	-	202	-	-
- revolving credits	2,849	2,012	-	-
- hire purchase	4	357	-	-
- profit on IMTNs	5,813	14,599	5,813	2,615
- profit on MTNs	44,600	23,614	44,600	9,653
- profit on Sukuk Murabahah	5,861	-	5,861	-
- accretion of profit on SUKUK	-	712	-	-
- accretion of interest on Bonds	7,320	13,558	7,320	2,880
- profit on SUKUK	-	460	-	-
- interest to a subsidiary	-	-	6,401	6,800
- others	104	3,107	-	-
	87,744	90,335	77,495	25,113
- less: Amount capitalised under property development costs	(21,066)	(22,193)	-	-
- less: Amount capitalised under property, plant and equipment	-	(511)	-	-
- less: Amount capitalised under investment property	(6,445)	-	-	-
	60,233	67,631	77,495	25,113

36. PROFIT BEFORE TAXATION

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
(a) The following amounts have been included in arriving at profit before taxation:				
Auditors' remuneration				
- statutory	526	511	112	120
- under/(over) provision in prior years	85	10	(8)	-
- other services	170	47	170	-
Rent of premises and motor vehicles	1,147	1,968	-	-
Depreciation of property, plant and equipment	8,170	9,936	1	-
Bad debts written off	3,001	9,320	-	-
Allowance for doubtful debts				
- third parties	4,670	17,833	-	-
Loss on disposal of property, plant and equipment	16,245	150	-	-
Property, plant and equipment written off	37	904	-	-
Write down in value of properties held for sale	327	-	-	-
Loss on disposal of other investment	-	265	-	-
Direct expenses (including repair and maintenance) attributable to income generating investment properties	8,203	8,436	-	-
Provision/(reversal) for foreseeable losses for contract work in progress	2,000	(12,741)	-	-
(b) Employee benefits expense				
Staff costs (excluding Directors' remuneration)				
- wages and salaries	34,377	36,675	720	323
- seconded	26	13	-	-
Social security costs	348	363	2	1
Employees' Provident Fund	4,216	4,131	124	46
Bonus and ex-gratia	2,704	2,987	249	161
ESOS expenses	1,805	3,234	398	707
Other staff related expenses	2,964	3,198	422	104
	46,440	50,601	1,915	1,342

36. PROFIT BEFORE TAXATION *cont'd*

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
(c) Directors' remuneration				
In respect of Company's Directors:				
Executive				
Salaries and other emoluments	4,920	4,044	4,920	2,022
Fees	108	108	48	24
Bonus	1,685	1,560	1,685	-
Employees' Provident Fund	793	673	793	243
Perquisite ESOS/staff discount	50	220	-	-
Benefits-in-kind	144	138	136	66
	7,700	6,743	7,582	2,355
Non-executive				
Salaries and other emoluments	531	349	531	175
Fees	156	156	156	78
Bonus	60	28	60	-
Employees' Provident Fund	55	30	55	13
Perquisite ESOS/staff discount	17	11	-	-
Benefits-in-kind	32	31	32	16
	851	605	834	282
Total	8,551	7,348	8,416	2,637
Analysis of Company's Directors' remuneration excluding benefits-in-kind:				
Executive Directors' remuneration	7,556	6,605	7,446	2,289
Non-executive Directors' remuneration	648	405	631	181
Total Directors' remuneration	8,204	7,010	8,077	2,470

36. PROFIT BEFORE TAXATION *cont'd*

(c) Directors' remuneration *cont'd*

The number of Directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Group		Company	
	Executive directors	Non-executive directors	Executive directors	Non-executive directors
31 December 2014				
RM50,001 - RM100,000	-	2	-	2
RM100,001 - RM150,000	-	1	-	1
RM500,001 - RM550,000	-	1	-	1
RM1,000,001 - RM1,050,000	1	-	1	-
RM1,050,001 - RM1,100,000	1	-	1	-
RM2,000,001 - RM2,050,000	1	-	1	-
RM3,450,001 - RM3,500,000	-	-	1	-
RM3,500,001 - RM3,550,000	1	-	-	-
	4	4	4	4
31 December 2013				
RM1 - RM50,000	-	-	-	2
RM50,001 - RM100,000	-	2	-	1
RM100,001 - RM150,000	-	-	-	1
RM150,001 - RM200,000	-	1	-	-
RM250,001 - RM300,000	-	1	-	-
RM350,001 - RM400,000	-	-	2	-
RM650,001 - RM700,000	-	-	1	-
RM950,001 - RM1,000,000	-	-	1	-
RM1,000,001 - RM1,050,000	2	-	-	-
RM1,800,001 - RM1,850,000	1	-	-	-
RM2,850,001 - RM2,900,000	1	-	-	-
	4	4	4	4

37. TAXATION

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Income tax:				
Malaysian income tax	41,738	59,811	5,602	3,242
Foreign income tax	-	2,172	-	-
(Over)/under provision in prior years	(5,388)	3,720	(2,988)	-
	36,350	65,703	2,614	3,242
Deferred taxation (Note 13):				
Relating to origination and reversal of temporary differences	(7,588)	1,364	(4,111)	(437)
Relating to change in tax rate	(547)	(237)	164	17
Under/(over) provision in prior years	268	(2,338)	105	-
	(7,867)	(1,211)	(3,842)	(420)
Taxation reported in profit or loss	28,483	64,492	(1,228)	2,822

Domestic current income tax is calculated at the Malaysian statutory tax rate of 25% (2013: 25%) of the estimated assessable profit for the financial year. The domestic statutory tax rate will be reduced to 24% in year of assessment 2016. The computation of deferred tax as at 31 December 2014 has reflected these changes.

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

37. 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:

	2014 RM'000	2013 RM'000
Group		
Profit before taxation	149,454	254,243
Taxation at Malaysian statutory tax rate of 25% (2013: 25%)	37,364	63,561
Effect of different tax rates in foreign branches	(4,692)	(4,105)
Effect of zero tax rates in foreign countries	7,364	(3,647)
Effect of share of results of associates	(2,099)	(3,031)
Effect of share of results of joint ventures	(1,747)	(1,769)
Effect of changes in tax rates on opening balance of deferred tax	(547)	(237)
Effect on different tax rate for fair value in investment properties	(1,989)	(10,191)
Effect on introduction of real property gains tax	-	4,993
Income not subject to tax	(13,251)	(15,408)
Expenses not deductible for tax purposes	13,200	32,944
Under/(over) provision of deferred tax in prior years	268	(2,338)
(Over)/under provision of income tax in prior years	(5,388)	3,720
Tax expense for the financial year	28,483	64,492
Company		
Profit before taxation	4,849	381,072
Taxation at Malaysian statutory tax rate of 25% (2013: 25%)	1,212	95,268
Income not subject to tax	(5,746)	(98,296)
Effect of changes in tax rates on opening balance of deferred tax	164	17
Expenses not deductible for tax purposes	6,025	5,833
Under provision of deferred tax in prior years	105	-
Over provision of income tax in prior years	(2,988)	-
Tax expense for the financial year	(1,228)	2,822

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

38. 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 2014 RM'000	Group 2013 RM'000
Profit attributable to ordinary equity holders of the Company	122,918	197,548
Weighted average number of shares in issue	1,085,208	1,073,406
Basic earnings per share (sen)	11.33	18.40

(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 is divided by 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 2014 RM'000	Group 2013 RM'000
Profit attributable to ordinary equity holders of the Company	122,918	197,548
Weighted average number of shares in issue	1,085,208	1,073,406
Effect of dilution:		
Share options	256	1,633
Warrants	4,727	44,480
Adjusted weighted average number of shares in issue and issuable	1,090,191	1,119,519
Diluted earnings per share (sen)	11.27	17.65

There have been no other transactions involving ordinary shares between reporting date and the date of completion of these financial statements except for the share buy back as disclosed in Note 47(a).

39. DIVIDENDS

	Group			
	Dividends in respect of year		Dividends recognised in year	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Recognised during the year:				
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) paid on 22 April 2013	-	34,666	-	34,666
Single tier interim dividend of 3.50 sen per share, on 1,092,329,802 ordinary shares of RM0.50 each (3.50 sen per ordinary share) paid on 26 September 2013	-	38,232	-	38,232
Final single tier dividend of 3.25 sen per share, on 1,085,476,908 ordinary shares of RM0.50 each (3.25 sen per ordinary share) paid on 5 June 2014	-	35,278	35,278	-
Single tier interim dividend comprising:				
- Cash dividend of 1.25 sen per ordinary share on 1,081,272,764 ordinary shares of RM0.50 each (1.25 sen per ordinary share) paid on 10 October 2014	13,516	-	13,516	-
- Share dividend of 1 treasury share for every 100 ordinary shares held, 10,809,930 treasury shares were distributed on 10 October 2014	23,321	-	23,321	-
	36,837	108,176	72,115	72,898

Subject to the shareholders' approval at the forthcoming Annual General Meeting, the Directors recommended final single tier dividend comprising:

(i) Cash dividend of 1.00 sen per ordinary share of RM0.50 each; and

(ii) Share dividend via a distribution of treasury shares on the basis of 1 treasury share for every 100 ordinary shares of RM0.50 each held, fractions of treasury shares to be disregarded.

40. RELATED PARTY DISCLOSURES

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

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Contract revenue from joint ventures	46,408	111,659	-	-
Rent expense payable to a company related to a Director of the Company	-	(455)	-	-
Rent expense payable to a joint venture	(55)	(183)	-	-
Management fee receivable from subsidiaries	-	-	3,650	964
Management fee receivable from joint ventures	761	164	300	80
Gross dividend receivable from subsidiaries	-	-	22,936	393,185
Interest receivable from subsidiaries	-	-	60,986	14,904
Interest receivable from joint ventures	14,436	11,436	-	-
Interest payable to a subsidiary	-	-	(6,401)	(6,800)
Sales of properties to Directors and persons connected with the Directors	31,706	21,102	-	-
Purchase of properties from a Director of the Company	-	(8,350)	-	-
Repayments/(advances) to joint ventures	36,969	(58,270)	-	-
Advances to non-controlling interest of subsidiary	(16,745)	-	-	-

The above transactions were transacted at terms and conditions similar to those which were offered to/(by) unrelated parties. Balances due from/(to) these parties are disclosed in Note 12.

(b) Compensation of key management personnel

The Company defines key management personnel as its Directors whose remunerations are disclosed in Note 36(c).

41. 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 to 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 statement of financial position date but not recognised as liabilities, are as follows:

	Group	
	2014	**2013**
	RM'000	**RM'000**
Future minimum rental payments:		
Not later than 1 year	1,312	1,211
Later than 1 year and not later than 5 years	332	443
	1,644	1,654

The lease payments and rent capitalised under construction contracts during the financial year are disclosed in Note 10(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 to 23 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 statement of financial position date but not recognised as receivables, are as follows:

	Group	
	2014	**2013**
	RM'000	**RM'000**
Future minimum rental receivables:		
Not later than 1 year	31,134	33,505
Later than 1 year and not later than 5 years	55,580	93,306
Later than 5 years	2,689	2,842
	89,403	129,653

Rental income earned from these investment properties during the financial year is disclosed in Note 32.

42. COMMITMENT

	Group 2014 RM'000	Group 2013 RM'000
Approved and contracted for:		
Property, plant and equipment	118,344	251
Land	103,843	160,743
Investment properties	355,439	-
Share of capital commitment of joint operations	87,954	76,573
	665,580	237,567

43. CONTINGENT LIABILITIES

	Company 2014 RM'000	Company 2013 RM'000
(a) Corporate guarantees given to trade suppliers and financial institutions for credit facilities granted to subsidiaries:		
- financial institutions	2,967,068	893,643

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.

	Group 2014 RM'000	Group 2013 RM'000
(b) Performance, advance payment and tender guarantee granted to:		
- clients	537,569	571,867
- clients of subsidiaries	44,292	40,927
- clients of joint operations	164,463	151,261
	746,324	764,055

As at the reporting date, no values are ascribed on these guarantees provided by the Group 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.

43. CONTINGENT LIABILITIES *cont'd*

	Group	
	2014	**2013**
	RM'000	**RM'000**
(c) Letters of credit utilised by		
- subsidiaries	28,091	28,776
(d) Tax matters under appeal by		
- a subsidiary	3,589	3,201

44. 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 RM113,429 (2013: RM2,679) lower/higher, arising mainly as a result of higher/lower interest expense on floating rate loans, borrowings and higher/lower interest income.

44. 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 statement of financial position date and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk:

	Note	WAEIR %	Within 1 Year RM'000	1-2 Years RM'000	2-3 Years RM'000	3-4 Years RM'000	4-5 Years RM'000	More than 5 Years RM'000	Total RM'000
At 31 December 2014									
Group									
Fixed rate									
Deposits	16	3.13	814,846	-	-	-	-	-	814,846
Hire purchase payables	20	5.75	(7)	-	-	-	-	-	(7)
Revolving credits	21	7.00	(23,049)	-	-	-	-	-	(23,049)
Term loans	22	5.03	(55,242)	(21,600)	(21,600)	(203,200)	-	-	(301,642)
IMTN	24	3.99	(100,000)	-	-	-	-	-	(100,000)
Bonds	25	5.10	(292,385)	-	-	-	-	-	(292,385)
MTN	26	4.46	-	-	-	(200,000)	-	(800,000)	(1,000,000)
Sukuk Murabahah	27	5.09	-	-	-	-	-	(600,000)	(600,000)
Floating rate									
Bank overdrafts	23	7.75	(5,429)	-	-	-	-	-	(5,429)
Revolving credits	21	4.86	(108,000)	-	-	-	-	-	(108,000)
Company									
Fixed rate									
Deposits	16	3.22	181,696	-	-	-	-	-	181,696
IMTN	24	3.99	(100,000)	-	-	-	-	-	(100,000)
Bonds	25	5.10	(292,385)	-	-	-	-	-	(292,385)
MTN	26	4.46	-	-	-	(200,000)	-	(800,000)	(1,000,000)
Sukuk Murabahah	27	5.09	-	-	-	-	-	(600,000)	(600,000)

44. 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 2013									
Group									
Fixed rate									
Deposits	16	3.16	742,904	-	-	-	-	-	742,904
Hire purchase payables	20	6.05	(124)	(7)	-	-	-	-	(131)
Term loans	22	5.06	(66,265)	(21,600)	(21,600)	(224,800)	-	-	(334,265)
IMTN	24	4.30	(300,000)	-	-	-	-	-	(300,000)
Bonds	25	5.10	-	(285,065)	-	-	-	-	(285,065)
MTN	26	4.46	-	-	-	-	(200,000)	(800,000)	(1,000,000)
Floating rate									
Bank overdrafts	23	7.58	(2,679)	-	-	-	-	-	(2,679)

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.

	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 2013									
Company									
Fixed rate									
Deposits	16	3.28	471,548	-	-	-	-	-	471,548
IMTN	24	4.30	(300,000)	-	-	-	-	-	(300,000)
Bonds	25	5.10	-	(285,065)	-	-	-	-	(285,065)
MTN	26	4.46	-	-	-	-	(200,000)	(800,000)	(1,000,000)

44. 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	
		2014 RM'000 Profit net of tax	2013 RM'000 Profit net of tax
AED/RM -	Strengthen 3%	10,660	10,155
	Weakened 3%	(10,660)	(10,155)
QAR/RM -	Strengthen 3%	10,800	6,651
	Weakened 3%	(10,800)	(6,651)
BHD/RM -	Strengthen 3%	(407)	(200)
	Weakened 3%	407	200
USD/RM -	Strengthen 3%	560	528
	Weakened 3%	(560)	(528)

44. FINANCIAL INSTRUMENTS *cont'd*

(c) Foreign currency risk *cont'd*

Included in the following statements of financial position captions of the Group as at the reporting date are balances denominated in the following major foreign currencies:

	Bahrain Dinars	UAE Dirhams	Qatar Riyals	Omani Riyals	Vietnamese Dong	United States Dollars	Euro	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group								
At 31 December 2014								
Cash, deposit and bank balances	9,757	3,338	48,445	193	3	1,396	1,046	64,178
Receivables	45,629	628,663	465,718	736	78	17,119	-	1,157,943
Payables	(9,251)	(348,847)	(252,949)	(17)	-	(16)	-	(611,080)
Borrowings	-	-	(33,642)	-	-	-	-	(33,642)
At 31 December 2013								
Cash, deposit and bank balances	22,403	22,305	22,495	-	1	1,378	982	69,564
Receivables	27,969	531,047	424,174	693	221	14,504	-	998,608
Payables	(25,086)	(298,650)	(232,587)	-	-	(25)	(51)	(556,399)
Borrowings	-	-	(54,265)	-	-	-	-	(54,265)

(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.

44. FINANCIAL INSTRUMENTS *cont'd*

(d) Liquidity risk *cont'd*

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 or within 1 year RM'000	More than 1 year less than 5 years RM'000	More than 5 years RM'000	Total RM'000
Group				
As at 31 December 2014				
Trade and other payables	1,043,011	422,451	-	1,465,462
Loans and borrowings				
- Principal	584,112	446,400	1,400,000	2,430,512
- Interest	111,153	315,569	107,527	534,249
	1,738,276	1,184,420	1,507,527	4,430,223
As at 31 December 2013				
Trade and other payables	842,727	462,006	-	1,304,733
Loans and borrowings				
- Principal	369,068	753,072	800,000	1,922,140
- Interest	77,936	257,836	11,132	346,904
	1,289,731	1,472,914	811,132	3,573,777
Company				
As at 31 December 2014				
Other payables	21,335	-	-	21,335
Due to related companies	235,568	-	-	235,568
Loans and borrowings				
- Principal	392,385	200,000	1,400,000	1,992,385
- Interest	91,059	286,154	107,527	484,740
	740,347	486,154	1,507,527	2,734,028
As at 31 December 2013				
Other payables	13,039	-	-	13,039
Due to related companies	98,035	-	-	98,035
Loans and borrowings				
- Principal	300,000	485,065	800,000	1,585,065
- Interest	63,234	223,525	11,132	297,891
	474,308	708,590	811,132	1,994,030

44. 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 Note 10(a).

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

	Group	
	2014	**2013**
	RM'000	**RM'000**
Malaysia	761,043	556,364
Middle East	769,529	692,841
	1,530,572	1,249,205

44. FINANCIAL INSTRUMENTS *cont'd*

(f) Fair values

(i) The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

		Fair value measurement using		
	Note	Total	Quoted prices (Level 1)	Significant unobservable inputs (Level 3)
		RM'000	RM'000	RM'000
Group				
2014				
Assets measured at fair value				
Investment properties	6	737,813	-	737,813
Property, plant and equipment				
- Freehold land and buildings	4	108,594	-	108,594
2013				
Assets measured at fair value				
Investment properties	6	653,006	-	653,006
Property, plant and equipment				
- Freehold land and buildings	4	131,129	-	131,129
Marketable securities	15	65,721	65,721	-

There are no liabilities measured at fair value.

There have been no transfer between Level 1, Level 2 and Level 3 during the financial year.

44. FINANCIAL INSTRUMENTS *cont'd*

(f) Fair values *cont'd*

(ii) Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

		Group		Company	
	Note	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
At 31 December 2014					
Financial assets					
Trade and other receivables under contract dispute	48	342,397	#	-	-
Financial liabilities					
Hire purchase payables	20	(7)	(7)	-	-
Revolving credits	21	(23,049)	(23,049)	-	-
Term loans	22	(301,642)	(289,749)	-	-
IMTN	24	(100,000)	(100,000)	(100,000)	(100,000)
Bonds	25	(292,385)	(292,385)	(292,385)	(292,385)
MTN	26	(1,000,000)	(991,597)	(1,000,000)	(991,597)
Sukuk Murabahah	27	(600,000)	(574,757)	(600,000)	(574,757)
Trade and other payables under contract dispute	48	(239,837)	#	-	-
		(2,556,920)	(2,271,544)	(1,992,385)	(1,958,739)
At 31 December 2013					
Financial assets					
Trade and other receivables under contract dispute	48	322,145	#	-	-
Financial liabilities					
Hire purchase payables	20	(131)	(131)	-	-
Term loans	22	(334,265)	(301,089)	-	-
IMTN	24	(300,000)	(300,000)	(300,000)	(300,000)
Bonds	25	(285,065)	(282,528)	(285,065)	(282,528)
MTN	26	(1,000,000)	(974,078)	(1,000,000)	(974,078)
Trade and other payables under contract dispute	48	(225,654)	#	-	-
		(2,145,115)	(1,857,826)	(1,585,065)	(1,556,606)

\# *The fair value of the financial instruments could not be reliably measured due to the ongoing arbitration proceedings, which have been further disclosed in Note 48.*

44. FINANCIAL INSTRUMENTS *cont'd*

(f) Fair values *cont'd*

The management assessed that cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(a) Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

(b) The fair values of the SUKUK, IMTNs and MTNs are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

    The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair value due to the insignificant impact of discounting.

(c) The fair values of the Group's interest-bearing borrowings and loans are determined by using the discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 December 2014 was assessed to be insignificant.

(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")

44. FINANCIAL INSTRUMENTS *cont'd*

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

The table below provides an analysis of financial instruments categorised as follows: *cont'd*

At 31 December 2014	Note	Carrying amount RM'000	L&R RM'000	OL RM'000
Group				
Financial assets				
Trade receivables, excluding amounts due from contract customers and accrued billings	10	876,821	876,821	-
Other receivables, excluding payment for land acquisition and related costs, prepayment and advances to sub-contractors	11	271,416	271,416	-
Due from related parties	12	224,918	224,918	-
Cash and bank balances	16	950,841	950,841	-
		2,323,996	2,323,996	-
Financial liabilities				
Trade payables, excluding amounts due to contract customers and accrued billings	17	(692,455)	-	(692,455)
Other payables, excluding provision for foreseeable losses and advances received from customers	18	(340,294)	-	(340,294)
Borrowings	19	(2,430,512)	-	(2,430,512)
		(3,463,261)	-	(3,463,261)
Company				
Financial assets				
Other receivables, excluding prepayment	11	140	140	-
Due from related parties	12	1,867,148	1,867,148	-
Cash and bank balances	16	193,484	193,484	-
		2,060,772	2,060,772	-
Financial liabilities				
Other payables	18	(21,335)	-	(21,335)
Due to related parties	12	(235,568)	-	(235,568)
Borrowings	19	(1,992,385)	-	(1,992,385)
		(2,249,288)	-	(2,249,288)

44. FINANCIAL INSTRUMENTS *cont'd*

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

The table below provides an analysis of financial instruments categorised as follows: *cont'd*

At 31 December 2013	Note	Carrying amount RM'000	L&R RM'000	OL RM'000
Group				
Financial assets				
Trade receivables, excluding amounts due from contract customers and accrued billings	10	699,768	699,768	-
Other receivables, excluding payment for land acquisition and related costs, prepayment and advances to sub-contractors	11	252,581	252,581	-
Due from related parties	12	267,633	267,633	-
Marketable securities	15	65,721	65,721	-
Cash and bank balances	16	973,403	973,403	-
		2,259,106	2,259,106	-
Financial liabilities				
Trade payables, excluding amounts due to contract customers and accrued billings	17	(515,252)	-	(515,252)
Other payables, excluding provision for foreseeable losses and advances received from customers	18	(390,156)	-	(390,156)
Borrowings	19	(1,922,140)	-	(1,922,140)
		(2,827,548)	-	(2,827,548)
Company				
Financial assets				
Other receivables, excluding prepayment	11	864	864	-
Due from related parties	12	1,129,761	1,129,761	-
Cash and bank balances	16	472,632	472,632	-
		1,603,257	1,603,257	-
Financial liabilities				
Other payables	18	(13,039)	-	(13,039)
Due to related parties	12	(98,035)	-	(98,035)
Borrowings	19	(1,585,065)	-	(1,585,065)
		(1,696,139)	-	(1,696,139)

45. CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group's policy is to try to maintain net gearing ratio not exceeding 1.

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Loans and borrowings	2,430,512	1,922,140	1,992,385	1,585,065
Less: Cash and bank balances	(950,841)	(973,403)	(193,484)	(472,632)
Net debt	1,479,671	948,737	1,798,901	1,112,433
Equity attributable to the owners of the Company	2,234,380	2,204,306	3,025,329	3,116,536
Non-controlling interest	52,762	52,055	-	-
Total capital	2,287,142	2,256,361	3,025,329	3,116,536
Net gearing ratio	65%	42%	59%	36%

46. SIGNIFICANT EVENTS

During the financial year:

(a) Dissolution of a subsidiary

Details of dissolution of a subsidiary are disclosed in Note 7(a).

(b) De-registration of a subsidiary

Details of de-registration of a subsidiary are disclosed in Note 7(b).

(c) Acquisition of a new subsidiary

Details of acquisition of a subsidiary are disclosed in Note 7(c).

(d) Sukuk Murabahah Programme

Details of drawn down of Sukuk Murabahah are disclosed in Note 27.

(e) Employee share options scheme 2013/2023 ("ESOS 2013/2023")

Details of the ESOS 2013/2023 are disclosed in Note 28(d).

47. SUBSEQUENT EVENTS

(a) Share buy back

The shareholders of the Company had approved an Ordinary Resolution at the Extraordinary General Meeting held on 11 February 2014 for the Company to buy back its own shares up to a maximum of 10% of the issued and paid-up capital of the Company.

Between the reporting date and the date of completion of these financial statements, the Company had bought back 2,623,500 ordinary shares of RM0.50 each ordinary shares of its issued share capital from the open market. The average price paid for the shares bought back was RM1.54 per ordinary share of RM0.50 each. The bought back transactions were financed by internally generated funds. The shares bought back are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

(b) Formation of a new joint venture

On 8 March 2015, WCTB has incorporated a joint-venture with Al-Ali Projects Co (W.L.L.) to accept a contract from Lusail Real Estate Development Company for all the works relating to Contract No. CP07-C-1B – Commercial Boulevard Road D3, Road A4, Internal Roads, Utilities and Underground Car Parks 2, 3, 4 and 5 for Lusail Development Project in Doha, Qatar.

The Joint Venture is an unincorporated joint venture between WCTB and Al-Ali Projects Co (W.L.L.), a company incorporated in Qatar. The rights and liabilities of WCTB and Al-Ali Projects Co (W.L.L.) in the joint venture are in the ratio of 70:30.

47. SUBSEQUENT EVENTS *cont'd*

(c) Proposed right issue of shares and bonus issue of warrants

On 16 March 2015, the Company proposes to undertake the following:-

(i) A renounceable rights issue of up to 143,226,391 new ordinary shares of RM0.50 each in the Company ("WCT Share(s)" or "Share(s)") ("Rights Share(s)") on the basis of 1 Rights Share for every 10 existing WCT Shares held on an entitlement date to be determined later ("Proposed Rights Issue of Shares"); and

(ii) A bonus issue of up to 315,098,061 new warrants in WCT ("Warrant(s) E") on the basis of 1 free Warrant E for every 5 existing WCT Shares held on an entitlement date to be determined later after the completion of the Proposed Rights Issue of Shares ("Proposed Bonus Issue of Warrants").

(d) Incorporation of a new subsidiary

On 19 March 2015, WCTL has incorporated a wholly-owned subsidiary company, WCT Land and Development (Australia) Pty Ltd ("WCTLD").

WCTLD is a company incorporated in Victoria, Australia, has an issued and paid-up share capital of AUD1.00 divided into 1 ordinary share of AUD1.00 each. WCTLD is currently dormant and no liabilities will be assumed pursuant to the Incorporation.

48. 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 or the Employer") for the construction works in relation to the Nad Al Sheba Racecourse Project ("Contract") in which the Joint Venture was the main contractor and pursuant further to Meydan's subsequent call on the Joint Venture's bank guarantees, the Company, on 11 January 2009, jointly with Arabtec, commenced an arbitration proceeding against Meydan in the Dubai International Arbitration Centre for breach of contract and to enforce the Joint Venture's rights and remedies including the recovery of all amounts due under the Contract as well as damages.

The Joint Venture's bank guarantees that were called comprised the Performance Security amounting to AED461.30 million (Group's share: AED230.65 million or approximately RM206.81 million) and the Advance Payment Guarantee amounting to AED77.30 million (Group's share: AED38.60 million or approximately RM34.61 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 RM1,260 million). On 14 June 2012, Meydan had filed a civil claim ("the Civil Suit") before the Dubai Civil Court contesting the validity of the arbitration tribunal and claiming a sum of AED3,500 million (or approximately RM3,140 million) plus interest.

48. CONTRACT DISPUTE *cont'd*

On 26 February 2013, the Dubai Court dismissed Meydan's the Civil Suit on the grounds that the Dubai International Arbitration Centre ("DIAC") Case No. 02/2009 had not expired by effluxion of time and in view of the valid and binding arbitration agreement between the parties. The Employer had on 24 March 2013 filed a notice of appeal against the dismissal of the Civil Suit.

On 27 February 2013, the Company was informed by Arabtec that its board of directors has agreed to the Employer's proposal for Arabtec and the Employer to withdraw all pending legal cases as between themselves without prejudice to their respective rights and proceed with negotiations for an amicable settlement. Pursuant thereto, Arabtec and the Employer has since withdrawn their respective claims and counterclaims as against themselves, from the DIAC Case 2/2009. The arbitration proceedings continues as between the Company and the Employer and the said arbitration proceedings are presently still pending.

On 24 March 2013, the Employer filed a notice of appeal to the Dubai Court of Appeal against the dismissal of the Civil Suit by the Court of First Instance insofar as it concerns Meydan's counterclaims againts the Company. On 26 November 2014, the Dubai Court of Appeal confirmed that the arbitral proceedings in DIAC Case No. 02/2009 continue insofar as they concern all outstanding issues between the Company and Meydan and suspended Meydan's Civil Suit untill the Final Award to be issued in DIAC Case No. 02/2009.

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, WCTB's prospects of success in the arbitration proceedings remain good.

	Group's 50% share	
	2014	**2013**
	RM'000	**RM'000**
Statement of financial position		
Non-current assets		
Property, plant and equipment	1	1
Trade receivables		
Contract receivables [(1)]	17,862	16,806
Amounts due from customer for contract work [(1)]	258,049	242,787
Retention sum receivable [(1)]	43,172	40,619
Other receivables		
Advances paid to suppliers and sub-contractors [(1)]	65,074	61,225
Performance security deposits	211,868	199,337
Others	27,943	26,290
	623,969	587,065
Current assets		
Other receivables		
Sundry receivables	2	1
Advances paid to suppliers and sub-contractors	4,418	4,157
	4,420	4,158
Total assets	628,389	591,223

48. CONTRACT DISPUTE *cont'd*

	Group's 50% share	
	2014	**2013**
	RM'000	**RM'000**
Statement of financial position *cont'd*		
Non-current liabilities		
Trade payables (2)	4,765	4,483
Retention sum payable (2)	2,781	2,616
Other payables (2)	219,349	206,376
Performance security payable to related party	215,961	203,188
Advances received from customer (2)	65,074	61,225
Amounts due to related parties	154,921	145,727
	662,851	623,615
Current liabilities		
Trade payables	382	359
Other payables	8,250	7,765
Retention payable - current portion	4,310	4,055
Advance received from customer	7,249	6,821
	20,191	19,000
Total liabilities	683,042	642,615
Exchange reserve	2,924	(309)
Net liabilities	(54,653)	(51,392)
Deficit	(51,729)	(51,701)

(1) Include receivables of RM292 million (2013: RM275 million) in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecourse project.

(2) Include payables of RM292 million (2013: RM275 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.

49. SEGMENT INFORMATION

(a) Reporting format

The Group has 3 reportable segments as described below, which are the Group's strategic business units. Management monitors the operating results of its business segments for the purpose of decision making. Segment performance is evaluated based on profitability and is measured consistently with operating profit in the consolidated financial statements. However, Group's financing and income taxes are managed on a group basis and are not allocated to operating segments.

(b) Business segments

The following are the main business segments:

(i) engineering and construction - 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 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 and the construction of F1 Circuit in Abu Dhabi;

(iii) India - the operations in this area are principally the construction of highway and concessionaires; and

(iv) Others - primarily investment holding companies in Mauritius and Vietnam.

(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.

49. SEGMENT INFORMATION *cont'd*

Business segments

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

	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 2014						
Revenue						
Revenue from external customers	1,210,582	391,722	59,918	-	-	1,662,222
Inter-segment revenue	723,992	7,682	-	-	(731,674)	-
Total revenue	1,934,574	399,404	59,918	-	(731,674)	1,662,222
Result						
Profit from operations	85,786	73,529	34,990	-	-	194,305
Finance costs	-	-	-	-	-	(60,233)
Share of profit of associates	-	-	-	8,393	-	8,393
Share of profit of joint ventures	-	1,087	5,902	-	-	6,989
Taxation	-	-	-	-	-	(28,483)
Segment profit						120,971
Assets and liabilities						
Segment assets	2,889,078	1,942,207	867,355	629	-	5,699,269
Interest in						
- associates	-	-	-	132,361	-	132,361
- joint ventures	-	-	395,384	-	-	395,384
						6,227,014
Segment liabilities	1,956,823	1,304,172	678,824	53	-	3,939,872

49. SEGMENT INFORMATION *cont'd*

Business segments *cont'd*

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

	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 2013						
Revenue						
Revenue from external customers	1,168,388	425,070	61,493	-	-	1,654,951
Inter-segment revenue	924,663	10,741	-	-	(935,404)	-
Total revenue	2,093,051	435,811	61,493	-	(935,404)	1,654,951
Result						
Profit from operations	129,306	93,623	79,744	-	-	302,673
Finance costs	-	-	-	-	-	(67,631)
Share of profit of associates	-	-	-	12,124	-	12,124
Share of profit of joint ventures	-	(2,954)	10,031	-	-	7,077
Taxation	-	-	-	-	-	(64,492)
Segment profit						189,751
Assets and liabilities						
Segment assets	2,672,941	1,645,521	772,163	719	-	5,091,344
Interest in						
- associates	-	-	-	127,584	-	127,584
- joint ventures	-	-	315,694	-	-	315,694
						5,534,622
Segment liabilities	1,620,132	1,044,122	613,976	31	-	3,278,261

49. 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 assests	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Malaysia	1,188,063	1,116,884	4,835,272	4,242,639
Middle East	474,159	538,067	1,238,610	1,146,029
India	-	-	134,372	129,581
Others	-	-	18,760	16,373
Consolidated	1,662,222	1,654,951	6,227,014	5,534,622

The Group has no significant concentration of credit risk that may arise from exposures to a single receivable or to groups of receivables for the debts due from related companies. The Group's normal trade credit terms for trade receivables are 30 to 90 days (2013: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

50. PRIOR YEAR ADJUSTMENTS

During the financial year, the Company made prior year adjustments in relation to the reclassification of employee share option scheme. This amount has been restated as prior year adjustment in the statement of financial position.

	As restated	Adjustments	Previously stated
	RM'000	RM'000	RM'000
Company			
Statements of financial position			
Investments in subsidiaries	3,212,020	4,578	3,207,442
Investments in joint ventures	135	28	107
Due to related parties	(98,035)	(4,606)	(93,429)

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 Securities.

	Group	
	2014	**2013**
	RM’000	**RM’000**
Total retained profits of the Company and its subsidiaries:-		
- Realised	1,019,761	1,007,374
- Unrealised	142,273	133,279
	1,162,034	1,140,653
Total share of retained profits/(accumulated losses) from associates:-		
- Realised	99,566	92,818
- Unrealised	(337)	(327)
	99,229	92,491
Total share of (accumulated losses)/retained profits from jointly controlled entities:-		
- Realised	(47,851)	(65,292)
- Unrealised	131,184	140,032
	83,333	74,740
Less: Consolidation adjustments	(235,535)	(253,762)
Total Group retained profits as per consolidated accounts	1,109,061	1,054,122

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/ Completion	NBV as at 31 December 2014 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	673,719 sf (Retail net lettable area)	Leasehold interest 99 years expiring on 9 February 2111/3	Owner operated	1	Valuation: December 2014	729,000,000
2.	Terminal klia2, KL International Airport Jalan klia 2/1, 64000 KLIA, Sepang, Selangor Darul Ehsan, Malaysia	Integrated Complex with shopping mall, transportation hub and airport car park building with 5,690 parking lots	355,977 sf (Retail net lettable area)	Leasehold interest expiring 11 February 2034/2	Owner operated	1	Completion: 20 September 2013	624,240,456
3.	Four (4) parcels of land: (1) Geran 49642, Lot 38302; (2) Formerly held under Geran 75602, Lot 100024 and now subdivided into H.S.(D) 119638, PT 15210; (3) Formerly held under Geran 75603, Lot 100023, and now subdivided into H.S.(D) 119636, PT 15208 and H.S.(D) 119637,PT 15209; (4) Formerly held under Geran 12830, Lot 2838 and now subdivided into H.S.(D) 119639, PT 15211 and H.S.(D) 119640 PT 15212; Mukim of Petaling, Daerah Kuala Lumpur.	Future mixed development	57.428 acres	Freehold	Vacant	-	Acquisition: SSA date – 14 March 2012	578,555,310
4.	Title No.H.S.(D) 280421, P7NO, 5167 Seksyen 40, Town of Petaling Jaya, District of Petaling, State of Selangor.	An on-going commercial development	13.98 acres	Leasehold interest 99 years expiring on 9 February 2111	Property Development Project	-	Acquisition : March 2005	486,427,761
5.	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 gross lettable area)	Freehold/8	Leased to AEON	1	Valuation: December 2014	438,276,118

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/ Completion	NBV as at 31 December 2014 RM
6.	Geran 413471,Lot 32665, Mukim of Tebrau, District of Johor Bahru, State of Johor	An on-going commercial development	12.38 acres	Freehold	Property Development Project	-	Acquisition: SPA date - 23 August 2012	277,988,979
7.	Nine (9) parcels of land: (1) H.S.(D) 505981, PTD 183262; (2) H.S.(D) 505986, PTD 183267; (3) H.S.(D) 505987, PTD 183268; (4) H.S.(D) 505982, PTD 183263; (5) H.S.(D) 505983, PTD 183264; (6) H.S.(D) 505984, PTD 183265; (7) H.S.(D) 505985, PTD 183266; (8) H.S.(D) 505988, PTD 183269; (9) H.S.(D) 505989, PTD 183270, Mukim Pulai, Daerah Johor Bahru, Negeri Johor.	Proposed commercial development	20.8 acres	Leasehold interest 99 years expiring on 14 February 2107	Vacant	-	Acquisition: SPA date – 14 December 2010; 22 August 2013; 30 December 2014	200,133,131
8.	Formerly held under Master Title No. H.S.(D) 135785, PT 129227, now subdivided into Title No. H.S.(D) 151038, PT 144256, H.S.(D) 151039, PT 144257, H.S.(D) 151040, PT 144258 (Leasehold), Mukim Klang, Daerah Klang, Negeri Selangor.	An on-going mixed development	53 acres	Freehold/ Leasehold interest 99 years expiring 11 December 2112	Property Development Project	-	Acquisition: December 2009	138,683,179
9.	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	96,328,004

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/ Completion	NBV as at 31 December 2014 RM
		Unsold unit of Double storey semi-detached house	3,429 sf	Freehold/2	Vacant	1	-	700,949
		Unsold units of 2 storey shop office	1,418 sf to 1,526 sf Total = 2,944 sf	Freehold/3	Vacant	2	-	283,919
		Unsold units of Double storey terrance house	2,591 sf to 3,123 sf Total = 8,472 sf	Freehold/2	Vacant	3	-	1,857,021
		Unsold units of Double storey terrance house	2,860 sf to 3,169 sf Total = 15,298 sf	Freehold/2	Vacant	5	-	2,853,055
		Unsold units of 2 storey cluster homes, bungalow	2,277 sf	Freehold/2	Vacant	1	-	1,157,914
		Unsold units of 2 storey bungalow	4,424 sf Total = 17,696 sf	Freehold/2	Vacant	4	-	5,499,521
		Unsold units of low cost shop	1,145 sf	Freehold/2	Vacant	1	-	120,000
		Unsold units of 2 storey semi-detached house	3,300 sf to 6,201 sf Total = 9,501 sf	Freehold/1	Vacant	2	-	1,764,653
		Unsold units of low cost apartment	643 sf Total = 9,645 sf	Freehold/1	Vacant	15	-	967,231
		Unsold units of 2 storey bungalow	4,856 sf Total = 82,552 sf	Freehold/1	Vacant	17	-	24,381,717
								135,913,984
10.	A parcel of land held: H.S.(D) 484847, PTD 170707, Mukim Pulai, Daerah Johor Bahru,Negeri Johor	Proposed mixed development	18.12 acres	Leasehold interest 99 years expiring on 30 December 2115	Property Development Project	-	Acquisiton: SPA date – 2 November 2012	122,981,306

Analysis of **Shareholdings**
As at 31 March 2015

Authorised Share Capital as at 31 March 2015	:	RM1,000,000,000.00 divided into 2,000,000,000 ordinary shares of RM0.50 each
Total Issued Ordinary Shares	:	1,092,552,364 Ordinary Shares of RM0.50 each
Total Issued & Paid-up Share Capital	:	RM546,276,182.00

(A) ORDINARY SHARES AS AT 31 MARCH 2015

Total Issued Ordinary Shares	:	1,092,552,364 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	2,120	19.53	108,066	0.01
100 - 1,000	1,489	13.72	552,893	0.05
1,001 - 10,000	4,756	43.82	18,070,699	1.65
10,001 - 100,000	2,075	19.12	53,850,205	4.93
100,001 to less than 5% of issued shares	408	3.76	550,933,375	50.43
5% and above of issued shares	5	0.05	469,037,126	42.93
Total	**10,853**	**100.00**	**1,092,552,364**	**100.00**

(2) Thirty Largest Shareholders

No.	Names	No. of Shares	%
1	WCT Capital Sdn Bhd	135,807,897	12.43
2	Lembaga Tabung Haji	105,053,337	9.62
3	Citigroup Nominees (Tempatan) Sdn Bhd *(Employees Provident Fund Board)*	81,368,617	7.45
4	AmanahRaya Trustees Berhad *(Skim Amanah Saham Bumiputera)*	77,265,000	7.07
5	Kumpulan Wang Persaraan (DiPerbadankan)	69,542,275	6.37
6	AmanahRaya Trustees Berhad *(Amanah Saham Wawasan 2020)*	40,239,712	3.68
7	Cimsec Nominees (Tempatan) Sdn Bhd *(CIMB for WCT Capital Sdn Bhd (PB))*	30,000,000	2.75
8	AMMB Nominees (Tempatan) Sdn Bhd *(AmBank (M) Berhad for WCT Capital Sdn Bhd (WCTCap))*	25,275,750	2.31
9	WCT Holdings Berhad *(Share Buy Back Account)*	17,589,370	1.61

(2) Thirty Largest Shareholders *(cont'd)*

No.	Names	No. of Shares	%
10	Amsec Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account-AmBank (M) Berhad for WCT Capital Sdn Bhd)*	16,160,000	1.48
11	Citigroup Nominees (Asing) Sdn Bhd *(Exempt An for Citibank New York (Norges Bank 12))*	15,455,900	1.41
12	AmanahRaya Trustees Berhad *(Amanah Saham Malaysia)*	15,134,959	1.39
13	Citigroup Nominees (Asing) Sdn Bhd *(CBNY for Dimensional Emerging Markets Value Fund)*	14,011,205	1.28
14	Malaysia Nominees (Tempatan) Sendirian Berhad *(Great Eastern Life Assurance (Malaysia) Berhad (Par 1))*	13,604,247	1.25
15	AmanahRaya Trustees Berhad *(Public Islamic Select Treasures Fund)*	13,423,687	1.23
16	AmanahRaya Trustees Berhad *(Amanah Saham Didik)*	10,100,000	0.92
17	HSBC Nominees (Asing) Sdn Bhd *(Exempt An for Credit Suisse (HK BR-TST-Asing))*	9,542,000	0.87
18	Citigroup Nominees (Tempatan) Sdn Bhd *(Exempt An for AIA Bhd)*	9,158,343	0.84
19	AmanahRaya Trustees Berhad *(Sekim Amanah Saham Nasional)*	7,971,829	0.73
20	Ara Holdings Sdn Bhd	7,683,798	0.70
21	HSBC Nominees (Tempatan) Sdn Bhd *(HSBC (M) Trustee Bhd for AMB Value Trust Fund (4249))*	7,200,000	0.66
22	HSBC Nominees (Tempatan) Sdn Bhd *(HSBC (M) Trustee Bhd for Affin Hwang Aiiman Growth Fund (4207))*	7,067,316	0.65
23	Citigroup Nominees (Tempatan) Sdn Bhd *(Employees Provident Fund Board (Affin-Hwg))*	7,028,584	0.64
24	Goh Chin Liong	6,885,410	0.63
25	HSBC Nominees (Asing) Sdn Bhd *(Exempt An for JPMorgan Chase Bank, National Association (U.S.A.))*	6,574,750	0.60
26	Citigroup Nominees (Asing) Sdn Bhd *(CBNY for DFA Emerging Markets Small Cap Series)*	6,506,161	0.60
27	AmanahRaya Trustees Berhad *(Public Isalmic Equity Fund)*	6,153,627	0.56
28	Citigroup Nominees (Asing) Sdn Bhd *(CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc)*	6,002,692	0.55
29	Citigroup Nominees (Tempatan) Sdn Bhd *(Employees Provident Fund Board (Nomura))*	5,834,770	0.53
30	HSBC Nominees (Tempatan) Sdn Bhd *(HSBC (M) Trustee Bhd for Affin Hwang Select Opportunity Fund (3969))*	5,649,300	0.52
		779,290,536	**71.33**

(3) Substantial Shareholders

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

	Direct Interest		Deemed Interest	
Name	**No. of Shares**	**%***	**No. of Shares**	**%***
Taing Kim Hwa	2,416,597	0.22	209,953,812^	19.53
Wong Sewe Wing	397,982	0.04	209,953,812^	19.53
WCT Capital Sdn Bhd	209,953,812	19.53	-	-
Employees Provident Fund Board	98,070,717	9.12	-	-
Kumpulan Wang Persaraan (Diperbadankan)	80,468,920	7.49	-	-
Lembaga Tabung Haji	109,124,782	10.15	-	-
AmanahRaya Trustees Berhad *(Skim Amanah Saham Bumiputera)*	77,265,000	7.19	-	-

Notes:

* *Based on 1,074,962,994 shares (Total issued and paid-up share capital of 1,092,552,364 less treasury shares of 17,589,370)*

^ *Deemed interested by virtue of his interest in WCT Capital Sdn Bhd.*

(B) WARRANTS 2013/2016 ("WARRANTS C") AS AT 31 MARCH 2015

Outstanding Warrants	:	156,986,399 Warrants
Issue Price	:	Not Applicable (Issued pursuant to the Securities Exchange)
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	26	0.98	661	*negligible*
100 - 1,000	788	29.68	400,674	0.25
1,001 - 10,000	881	33.18	4,249,105	2.71
10,001 - 100,000	755	28.44	28,239,264	17.99
100,001 to less than 5% of outstanding Warrants	204	7.68	81,768,037	52.09
5% and above of outstanding Warrants	1	0.04	42,328,658	26.96
Total	**2,655**	**100.00**	**156,986,399**	**100.00**

(2) Thirty Largest Warrants C Holders

No.	Names	No. of Warrants	%
1	WCT Capital Sdn Bhd	42,328,658	26.96
2	Maybank Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Lim Gim Leong)*	5,580,400	3.55
3	Chan Soon Huat	4,123,500	2.63
4	Cimsec Nominees (Tempatan) Sdn Bhd *(CIMB Bank for Tan Seng Kow (MY0085))*	2,334,500	1.49
5	Lim Weng Sheng	1,852,400	1.18
6	Maybank Securities Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Ong Fee Chong (REM 157-Margin))*	1,827,600	1.16
7	UOB Kay Hian Nominees (Tempatan) Sdn Bhd *(Exempt An for UOB Kay Hian Pte Ltd (A/c Clients))*	1,813,500	1.16
8	Tan Lee Chin	1,610,000	1.03
9	RHB Capital Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Lim Beng Teck (CEB))*	1,600,000	1.02
10	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad *(Deutsche Trustees Malaysia Berhad for Affin Hwang Flexi FundII)*	1,500,000	0.96
11	RHB Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Wong Tow Fock)*	1,432,800	0.91
12	Tiong Nam Logistics Holdings Berhad	1,330,000	0.85
13	Mercsec Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for TNTT Realty Sdn Bhd)*	1,218,500	0.78
14	Amsec Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Phang Swee Fun)*	1,214,098	0.77
15	Goh Chin Liong	1,100,000	0.70
16	Low Chu Mooi	1,100,000	0.70
17	Cimsec Nominees (Tempatan) Sdn Bhd *(CIMB Bank for Yap Yee Wah (M79003))*	1,075,000	0.68
18	Lim Chin Sean	1,000,000	0.64
19	Cimsec Nominees (Tempatan) Sdn Bhd *(CIMB Bank for Cheang Wai Kett (MM1156))*	954,000	0.61
20	Ma Pin Ling	881,100	0.56
21	Malaysia Nominees (Tempatan) Sendirian Berhad *(Great Eastern Life Assurance (Malaysia) Berhad (Par 1))*	833,620	0.53
22	Kenanga Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Chan Seng Fatt)*	775,800	0.49
23	RHB Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Lim Kok Seng)*	751,100	0.48

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

No.	Names	No. of Warrants	%
24	Public Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Chow Soong Ming (E-SS2))*	747,300	0.48
25	Maybank Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Kek Lian Lye)*	730,900	0.47
26	Mercsec Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Renitrans Sdn Bhd)*	676,600	0.43
27	Mercsec Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Tiong Nam Logistics Holdings Berhad)*	670,000	0.43
28	Shin Chang Fun	637,900	0.41
29	Chia Siew Fung	628,500	0.40
30	Cimsec Nominees (Tempatan) Sdn Bhd *(CIMB Bank for Mak Ngia Ngia @ Mak Yoke Lum (MM0749))*	623,600	0.40
		82,951,376	**52.84**

(C) WARRANTS 2013/2017 ("WARRANTS D") AS AT 31 MARCH 2015

Outstanding Warrants	:	163,631,152 Warrants
Issue Price	:	Not Applicable (Issued pursuant to the Securities Exchange)
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	2,816	36.52	51,477	0.03
100 - 1,000	2,729	35.40	1,192,159	0.73
1,001 - 10,000	1,407	18.25	5,251,696	3.21
10,001 - 100,000	570	7.39	20,652,997	12.62
100,001 to less than 5% of outstanding Warrants	186	2.41	81,045,430	49.53
5% and above of outstanding Warrants	2	0.03	55,437,393	33.88
Total	**7,710**	**100.00**	**163,631,152**	**100.00**

(2) Thirty Largest Warrants D Holders

No.	Names	No. of Warrants	%
1	WCT Capital Sdn Bhd	46,009,493	28.12
2	Maybank Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Lim Gim Leong)*	9,427,900	5.76
3	Cimsec Nominees (Tempatan) Sdn Bhd *(CIMB Bank for Tan Seng Kow (MY0085))*	4,251,300	2.60
4	Malaysia Nominees (Tempatan) Sendirian Berhad *(Great Eastern Life Assurance (Malaysia) Berhad (Par 1))*	2,647,180	1.62
5	Maybank Securities Nominees (Asing) Sdn Bhd *(Maybank Kim Eng Securities Pte Ltd for Lim Chuan Seng)*	2,474,000	1.51
6	Maybank Nominees (Tempatan) Sdn Bhd *(Maybank Trustees Berhad for Libra EquityExtra Fund (990405))*	2,209,000	1.35
7	Lim Kim Zhuan	2,206,100	1.35
8	Mercsec Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Tiong Nam Logistics Holdings Berhad)*	2,000,000	1.22
9	Tiong Nam Logistics Holdings Berhad	2,000,000	1.22
10	Goh Chin Liong	1,898,607	1.16
11	Loong Ding Tong	1,661,900	1.02
12	Chan Ah Hock	1,650,000	1.01
13	Chan Huater	1,650,000	1.01
14	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad *(Deutsche Trustees Malaysia Berhad for Affin Hwang Flexi FundII)*	1,600,000	0.98
15	Tan Boon Hwa	1,600,000	0.98
16	Wong Nyook Yin	1,598,300	0.98
17	Choe Kai Keong	1,516,800	0.93
18	Chan Huasheng	1,420,000	0.87
19	AMMB Nominees (Tempatan) Sdn Bhd *(AmBank (M) Berhad for WCT Capital Sdn Bhd (WCT Cap))*	1,300,000	0.79
20	Lim Thin Peng	1,258,000	0.77
21	AmanahRaya Trustees Berhad *(Public Islamic Equity Fund)*	1,059,600	0.65
22	Lim King Huak	1,022,000	0.62
23	Chan Hing	1,000,000	0.61
24	Maybank Nominees (Tempatan) Sdn Bhd *(Tan Boon Hwa)*	1,000,000	0.61
25	UOB Kay Hian Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Ding Pei Chai)*	1,000,000	0.61

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

No.	Names	No. of Warrants	%
26	Mercsec Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for TNTT Realty Sdn Bhd)*	950,100	0.58
27	Cimsec Nominees (Tempatan) Sdn Bhd *(CIMB Bank for Mak Ngia Ngia @ Mak Yoke Lum (MM0749))*	940,300	0.57
28	HSBC Nominees (Asing) Sdn Bhd *(Exempt An for JPMorgan Chase Bank, National Association (U.A.E.))*	852,000	0.52
29	Maybank Nominees (Tempatan) Sdn Bhd *(Libra Invest Berhad for Lembaga Kumpulan Wang Amanah Pelaburan Negeri Pulau Pinang (E00560-260218))*	765,100	0.47
30	Malaysia Nominees (Tempatan) Sendirian Berhad *(Great Eastern Life Assurance (Malaysia) Berhad (Par 2))*	754,000	0.46
		99,721,680	**60.94**

(D) STATEMENT OF DIRECTORS' INTERESTS IN THE SECURITIES OF THE COMPANY AS AT 31 MARCH 2015

(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	946,875	0.09	21,715[2]	*negligible*
Taing Kim Hwa	2,416,597	0.22	209,953,812[1]	19.53
Goh Chin Liong	6,885,410	0.64	-	-
Choe Kai Keong	3,178,220	0.30	-	-
Liang Kai Chong	3,685,442	0.34	236,363[2]	0.02
Choo Tak Woh	34,845	*negligible*	215,209[2]	0.02
Wong Yik Kae	76,361	0.01	-	-

(2) Directors' Interests in Warrants 2013/2016
(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	851,000	0.54	42,328,658[1]	26.96
Goh Chin Liong	1,100,000	0.70	-	-
Liang Kai Chong	506,545	0.32	40,699[2]	0.03
Wong Yik Kae	5,000	*negligible*	40,000[2]	0.03

(3) Directors' Interests in Warrants 2013/2017
(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	2,000[2]	*negligible*
Taing Kim Hwa	1,115,649	0.68	47,776,160[1]	29.20
Goh Chin Liong	1,898,607	1.16	-	-
Choe Kai Keong	1,516,800	0.93	-	-
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	-	-

Notes:
* *Based on 1,074,962,994 shares (Total issued and paid-up share capital of 1,092,552,364 less treasury shares of 17,589,370)*
[1] *Deemed interested by virtue of his interest in WCT Capital Sdn Bhd, which in turn is a substantial shareholder in WCT Holdings Berhad.*
[2] *Deemed interested through his spouse's or child's direct interest in the Company.*

(4) Directors' Interests in Options over Ordinary Shares

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

Director	No. of Options Outstanding
Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid	100,000
Taing Kim Hwa	1,600,000
Goh Chin Liong	900,000
Choe Kai Keong	500,000
Liang Kai Chong	500,000
Choo Tak Woh	60,000
Andrew Lim Cheong Seng	43,000
Wong Yik Kae	145,000

Notice of Fourth **Annual General Meeting**

NOTICE IS HEREBY GIVEN THAT the Fourth Annual General Meeting ("4th AGM") of WCT Holdings Berhad ("WCT" or "the Company") will be held at Ballroom 1, Ground Floor, Première Hotel, Bandar Bukit Tinggi 1/KS6 Jalan Langat, 41200 Klang, Selangor Darul Ehsan, Malaysia, on Tuesday, 19 May 2015 at 10.30 a.m. for the following purposes:

AGENDA

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2014 and the Reports of the Directors and Auditors thereon. ***Resolution 1***

2. To declare a final single tier dividend comprising the following for the financial year ended 31 December 2014: ***Resolution 2***

    (i) cash dividend of 1.0 sen per ordinary share of RM0.50 each; and
    (ii) share dividend on the basis of one (1) treasury share for every one hundred (100) existing ordinary shares of RM0.50 each held in the Company ("Share Dividend"). Any fractions arising from the distribution of Share Dividend will be disregarded.

3. To re-elect the following Directors who retire in accordance with Article 70 of the Company's Articles of Association and being eligible, have offered themselves for re-election:

    (a) Mr. Taing Kim Hwa ***Resolution 3***
    (b) Mr. Goh Chin Liong ***Resolution 4***
    (c) Mr. Wong Yik Kae ***Resolution 5***

4. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. ***Resolution 6***

As Special Business

To consider and, if thought fit, to pass the following Ordinary Resolutions:

5. **Payment of Directors' Fees**

    "THAT the Directors' Fees amounting to RM204,000 for the financial year ended 31 December 2014 be and is hereby approved for payment." ***Resolution 7***

6. **Retention of Independent Non-Executive Directors**

    "THAT approval be and is hereby given to retain the following Directors, who have served as Independent Non-Executive Directors for WCT Group for more than nine (9) years, in compliance with the Malaysian Code on Corporate Governance 2012:

    (a) Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid ***Resolution 8***
    (b) Mr. Choo Tak Woh" ***Resolution 9***

7. **Proposed Renewal of Share Buy-Back Authority**

"THAT subject to the Companies Act, 1965 (the "Act"), rules, regulations and orders made pursuant to the Act (as may be amended, modified or re-enacted from time to time), the provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authority, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares of RM0.50 each in the Company ("Shares") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

(i) the aggregate number of Shares which may be purchased by the Company shall not exceed ten percent (10%) of the issued and paid-up ordinary share capital for the time being of the Company;

(ii) the maximum fund to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the total of retained profits and share premium account of the Company. The audited retained profits and share premium account of the Company as at 31 December 2014 amounted to RM273,976,328.00 and RM2,174,150,688.00 respectively;

(iii) the authority conferred by this resolution will commence immediately upon the passing of this ordinary resolution and will continue to be in force until:

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
(b) the expiration of the period within which the next AGM is required by law to be held; or
(c) revoked or varied by ordinary resolution passed by the shareholders in general meeting;

whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities; and

(iv) upon completion of each purchase of Shares by the Company, the Directors of the Company be and are hereby authorised to cancel the Shares so purchased or to retain the Shares so purchased as treasury shares which may be distributed as dividend to shareholders or resold on Bursa Securities or subsequently cancelled or to retain part of the Shares so purchased as treasury shares and cancel the remainder and/or to deal with the Shares in any other manner as may be allowed or prescribed by the Act or any other rules, regulations and/or orders made pursuant to the Act and the Main Market Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to effect the purchase(s) of Shares with full powers to assent to any conditions, modifications, resolutions, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company in relation to such purchase(s) of Shares." ***Resolution 10***

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 4th AGM, the Company shall obtain a General Meeting Record of Depositors as at 13 May 2015 from Bursa Malaysia Depository Sdn Bhd in accordance with Article 46(3) 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 4th AGM of the Company.

NOTICE OF DIVIDEND PAYMENT AND ENTITLEMENT DATE

NOTICE IS ALSO HEREBY GIVEN that a final single tier dividend comprising the following for the financial year ended 31 December 2014, if approved at the Fourth Annual General Meeting of the Company, will be payable and credited into the entitled Depositors' Securities Account on 16 June 2015:

(i) cash dividend of 1.0 sen per ordinary share of RM0.50 each; and

(ii) share dividend on the basis of one (1) treasury share for every one hundred (100) existing ordinary shares of RM0.50 each held in the Company ("Share Dividend"). Any fractions arising from the distribution of Share Dividend will be disregarded.

The entitlement date shall be fixed on 26 May 2015 and a Depositor shall qualify for entitlement only in respect of:

(a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 26 May 2015 in respect of ordinary transfers; and

(b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

Subject to the approval of the Bursa Malaysia Depository Sdn Bhd ("Bursa Depository") for the transfer of treasury shares under the Share Buy-back Account by bulk transfer method of debiting and crediting, the treasury shares to be distributed under the Share Dividend will be credited into the entitled Depositors' Securities Account maintained with Bursa Depository on 16 June 2015.

By Order of the Board

LOH CHEE MUN
CHONG KIAN FAH
Company Secretaries

Selangor Darul Ehsan
27 April 2015

Notice of Fourth **Annual General Meeting**

NOTICE TO HOLDERS OF WARRANTS 2013/2016 ("WARRANTS C") AND WARRANTS 2013/2017 ("WARRANTS D")

Subject to the approval being obtained from the Company's Shareholders at the Fourth Annual General Meeting, holders of Warrants C and Warrants D must exercise their warrants and subscribe for ordinary shares in the Company in order to be entitled to the abovementioned final dividend. All duly executed and completed Warrants Subscription Forms received by the Company's Share Registrar up to 5.00 p.m. on Thursday, 14 May 2015 shall be entitled to the said final dividend.

NOTES:

A. PROXY

1. *A member entitled to attend and vote at the meeting may appoint one (1) proxy to attend and vote on his/her behalf. A proxy may but need not be a member of the Company and if not a member, he/she need not be a qualified legal practitioner, an approved company auditor or a person approved by the Registrar.*
2. *The instrument appointing a proxy shall be signed by (a) the individual member or (b) the individual member's attorney duly supported by a certified true copy of the power of attorney.*
3. *For a corporate member, the instrument appointing a proxy shall be executed under (a) its common seal or (b) the hand of a duly authorised officer or attorney. In the case of (b), it shall be supported by a certified true copy of (i) the resolution appointing such officer, or (ii) the relevant power of attorney.*
4. *In the case of a member who is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit as to the number of proxies it may appoint. If more than one (1) proxy is appointed, the Exempt Authorised Nominee shall specify the number of shares to be represented by each proxy.*
5. *The instrument appointing a proxy must be deposited at the Registered Office of the Company at No. 12, Jalan Majistret U1/26, Seksyen U1, Lot 44, Hicom-Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time fixed for holding the meeting or any adjourned meeting thereof.*

B. EXPLANATORY NOTES ON SPECIAL BUSINESS

Resolution 7

The proposed Ordinary Resolution 7, if passed, will authorised the payment of Directors' Fees for the financial year ended 31 December 2014 pursuant to the Company's Articles of Association.

Resolution 8 and 9

The proposed Ordinary Resolutions 8 and 9, if passed, will enable Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid ("Dato' Sufian") and Mr Choo Tak Woh ("Mr Choo") to continue serving as the Independent Non-Executive Directors of the Company, in compliance with the Malaysian Code on Corporate Governance 2012 ("MCCG 2012").

Dato' Sufian and Mr Choo were appointed as the Independent Non-Executive Directors of the Company on 30 May 2013, however, as at the date of the notice of 4th AGM, both directors have served WCT Group in the same capacity for a cumulative term of more than nine (9) years.

An assessment of the independence of all Independent Directors was undertaken as part of the Board's assessment in 2014. The Board of Directors has considered the results of the independence assessment of Dato' Sufian and Mr Choo, which was undertaken pursuant to the guidelines as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and MCCG 2012, and are satisfied that they meet the guidelines for independence and their ability to exercise independent judgement. Therefore, the Board recommends that Dato' Sufian and Mr Choo should be retained as the Independent Non-Executive Directors of the Company.

Resolution 10

The proposed Ordinary Resolution 10, if passed, is to give authority to the Company to purchase its own shares up to a maximum of 10% of the Company's issued and paid-up share capital at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Please refer to the Statement to Shareholders in relation to the Proposed Renewal of Share Buy-Back Authority dated 27 April 2015 which despatched together with the Company's 2014 Annual Report for further information.

Meeting	:	Fourth Annual General Meeting ("4th AGM")
Date	:	Tuesday, 19 May 2015
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 9.30 a.m. and will remain open until the conclusion of the 4th 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.

REFRESHMENT

Light refreshment will be served before the commencement of the 4th AGM at the foyer outside Ballroom 1 on the Ground Level.

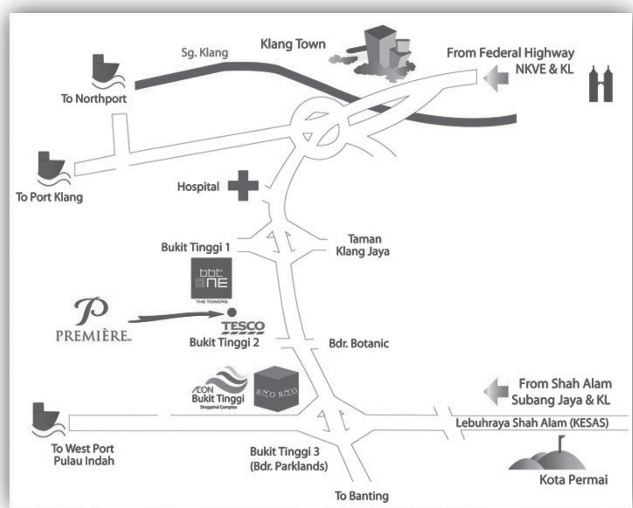
LUNCH

Upon the conclusion of the 4th AGM, a buffet lunch will be served at the Ballroom 2 on the Ground Level.

RECORD OF DEPOSITORS FOR ATTENDANCE AT 4TH AGM

For the purpose of determining a member's eligibility to attend and vote at the 4th AGM, the Company shall obtain a General Meeting Record of Depositors as at 13 May 2015 from Bursa Malaysia Depository Sdn Bhd in accordance with Article 46(3) 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 4th AGM.

LOCATION MAP TO PREMIÈRE HOTEL, KLANG



Date: 27 April 2015

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WCT Holdings Berhad (930464-M)
(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 Holdings 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 Fourth 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 Tuesday, 19 May 2015 at 10.30 a.m. or at any adjournment thereof.

This proxy is to vote on the resolutions set out in the Notice of Fourth 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	To receive and adopt the Audited Financial Statements for the year ended 31 December 2014 and the Reports of the Directors and Auditors thereon.		
2	To approve the declaration of a final single tier dividend for the year ended 31 December 2014.		
3	To re-elect Mr Taing Kim Hwa.		
4	To re-elect Mr Goh Chin Liong.		
5	To re-elect Mr Wong Yik Kae.		
6	To re-appoint Messrs Ernst & Young as Auditors of the Company.		
7	To approve the payment of Directors' Fees.		
8	To retain Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid as an Independent Non-Executive Director.		
9	To retain Mr Choo Tak Woh as an Independent Non-Executive Director.		
10	To approve the Proposed Renewal of Share Buy-Back Authority.		

Dated this ____________________day of________________________ 2015

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 Holdings 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

1 MEDINI HUB

- Iskandar Malaysia, Johor
- Consists of 16 exclusive retail units, 2 floors of office space and 18 units of garden villas
- It is the right place for prestigious brands to establish a successful retail focused centre

MEDINI SIGNATURE

- Iskandar Malaysia, Johor
- 2 blocks i.e. 28-storey & 31-storey
- Low density, comprises 456 units of luxury apartments
- Built up area ranging from 1,088 sq. feet to 1,950 sq. feet

THE AZURE RESIDENCES

- Paradigm, Petaling Jaya
- Comprises 189 units of serviced apartments
- Sizes ranging from 756 sq. feet to 1,815 sq. feet
- A 30-storey high iconic tower with dual-usage i.e. upper portion is the New World Hotel (Level 19 to Level 30) and the lower portion is The Azure Residences (Level 5 to Level 18)

THE LEAD RESIDENCES

- Bandar Bukit Tinggi 2, Klang
- Comprises 403 units of serviced apartments
- Sizes ranging from 855 sq. feet to 1,317 sq. feet
- Part of The Lead, a freehold integrated commercial development adjacent to AEON Bukit Tinggi Mall consists of 2 blocks of serviced residences, 1 block of boutique hotel and 2 levels of retail shops.