
**WCT BERHAD (“WCT” OR “THE COMPANY”) (66538-K)
QUARTERLY UNAUDITED RESULTS OF THE GROUP FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2009**

**A EXPLANATORY NOTES IN COMPLIANCE WITH FINANCIAL REPORTING
STANDARDS (“FRS”) 134, INTERIM FINANCIAL REPORTING**

A1 Basis of Preparation

The interim financial statements have been prepared under the historical cost convention except for revaluation of freehold land and buildings included in property, plant and equipment and investment properties which are stated at fair values.

The interim financial statements are unaudited and have been prepared in compliance with FRS 134: Interim Financial Reporting and Chapter 9 part K of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the most recent audited financial statements of the Group for the year ended 31 December 2008. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2008.

A2 Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2008 and there were no new Financial Reporting Standard (“FRS”), amendments to FRS and interpretations adopted during this quarter.

A3 Audit Qualification

There was no audit qualification in the auditors’ report of the Company’s previous financial statements for the financial year ended 31 December 2008.

A4 Seasonal Or Cyclical Factors

For the period under review, the business operations of the Group were not significantly affected by any seasonal or cyclical factor.

A5 Items Of Unusual Nature

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group that are unusual due to their nature, size or incidence during the quarter under review.

A6 Changes In Estimate

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the quarter under review.

A7 Changes In Debt and Equity Securities

Save as disclosed below, there were no issuance and repayment of debts and equity securities, share buy backs, share cancellations, shares held as treasury shares and resale of treasury shares during the period under review.

- (a) Issuance of 1,926,756 new ordinary shares of RM0.50 each pursuant to the exercise of the ESOS at the exercise price of RM0.73 to RM1.73 per ordinary share.
- (b) Issuance of 3,597,125 new ordinary shares of RM0.50 each pursuant to the conversion of ICPS of RM0.10 which was satisfied by surrendering 5 ICPS for each new ordinary share.
- (c) Issuance of 4,000 new ordinary shares of RM0.50 each pursuant to the conversion of warrants at an exercise price of RM3.00 per ordinary share for cash.

A8 Dividends

Please refer to Explanatory Note B12.

A9 Segmental Information

	CURRENT YEAR QUARTER (3 months period to 30.09.2009) RM'000	CURRENT YEAR TO DATE (9 months period to 30.09.2009) RM'000
Segment Revenue		
Civil engineering & construction	1,366,427	3,526,045
Property development	53,254	128,315
Others	11,958	48,622
	<u>1,431,639</u>	<u>3,702,982</u>
Elimination of intra-group revenue	(119,505)	(243,938)
Total revenue	<u>1,312,134</u>	<u>3,459,044</u>
Segment profit from operation		
Civil engineering & construction	50,217	200,366
Property development	9,570	31,602
Others	7,820	14,878
	<u>67,607</u>	<u>246,846</u>
Elimination of intra-group profit	(5,479)	(25,791)
Total profit from operation	<u>62,128</u>	<u>221,055</u>

A10 Carrying Amount Of Revalued Assets

During the period under review, a property was revalued which results in an increase of approximately RM5 million.

Save as disclosed above, the valuations of property, plant and equipment have been brought forward without amendment from the audited financial statements for the financial year ended 31 December 2008.

A11 Subsequent Material Events

There were no material events subsequent to the reporting period up to 11 November 2009 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) which have not been reflected in the financial statements for the quarter under review.

A12 Effect Of Changes In The Composition Of The Group

Save as disclosed below, there were no changes in the composition of the Group during the period under review.

On 28 October 2009, WCT Land Sdn Bhd (“WCTL”), a wholly-owned subsidiary of the Company has entered into a conditional Agreement with Medini Land Sdn Bhd (“MLSB”), a wholly-owned subsidiary of Iskandar Investment Berhad, to jointly undertake a residential and commercial development on a piece of 99-year leasehold land measuring 10.96 acres in area located in Medini, Iskandar Malaysia, Johor which will be known as “1Medini”, through a special purposes vehicle known as One Medini Sdn Bhd (“OMSB”) with WCTL holding 70% interest. On 17 November 2009 WCTL has subscribed for 700,000 ordinary shares of RM1.00 each at par representing 70% of the issued and paid up capital of OMSB. The remaining 30% equity interest in OMSB is held by MLSB. OMSB, incorporated on 11 June 2009, is currently a dormant company with an authorized share capital of RM5,000,000 and issued and paid-up share capital of RM1,000,000 divided into 1,000,000 ordinary shares of RM1.00 each.

On 16 November 2009, WCTL acquired 2 ordinary shares of RM1.00 each at par representing the entire issued and paid-up share capital of Atlanta Villa Sdn Bhd (“AVSB”) for a total cash consideration of RM2.00 (the Acquisition”). AVSB, a company incorporated in Malaysia has an authorized share capital of RM100,000 and an issued and paid-up share capital of RM2.00 divided into 2 ordinary shares of RM1.00 each. AVSB is currently dormant and no liabilities will be assumed pursuant to the Acquisition.

A13 Contingent Liabilities

Contingent liabilities of the Group as at 11 November 2009 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) comprised bank guarantees and letters of credit totaling RM785 million and RM17 million respectively provided by the Group to various parties in the ordinary course of business and tax matters under appeal amounting to RM10 million of the Group. The changes in contingent liabilities since 19 February 2009 are as follows: -

(a)	Bank Guarantees RM'000	Letters of Credit RM'000
Balance as at 19 February 2009	794,482	36,773
Extended/utilised during the period	252,978	46,838
Discharged/paid during the period	(262,758)	(66,262)
	<hr/>	<hr/>
Balance as at 11 November 2009	<u>784,702</u>	<u>17,349</u>

(b) The tax matters under appeal of the Group totaling RM10 million are in respect of corporation tax and service tax of a foreign subsidiary and an associated company.

A14 Capital Commitments

There are no material commitments except for as follows:-

	RM'000
Capital expenditure approved and contracted for investment	14,000
Capital expenditure approved and contracted for property, plant and equipment	48,611
Capital expenditure approved and not contracted for property, plant and equipment	3,360
Share of capital commitments of jointly controlled entities	12,312
	<u>78,283</u>

A15 Significant Related Party Transactions

	RM'000
<u>The Group</u>	
Rental of property paid to a Director of the Company	<u>309</u>

B EXPLANATORY NOTES IN COMPLIANCE WITH LISTING REQUIREMENTS OF THE BURSA MALAYSIA

B1 Review Of The Performance Of The Group

For the quarter under review, the Group achieved revenue and profit after taxation of RM1,312 million and RM49 million representing 77% and 14% higher respectively as compared with the corresponding quarter. Higher revenue and profit after taxation were mainly attributable to the construction activities undertaken by the Group.

B2 Comparison With Immediate Preceding Quarter's Results

For the quarter under review, the Group recorded revenue and profit after taxation of RM1,312 million and RM49 million as compared to revenue and profit after taxation of RM1,178 million and RM73 million reported in the immediate preceding quarter.

B3 Prospect For The Remaining Period

Year 2009 will remain challenging for the Group due to the weak global economy. Nevertheless, the Group is confident to achieve satisfactory results for the remaining period of the financial year ending 31 December 2009.

B4 Variance Of Actual Profit From Forecast Profit

Not applicable to the Group.

B5 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months period To 30.09.2009)	PRECEDING YEAR CORRESPONDING (3 months period To 30.09.2008)	CURRENT YEAR TO DATE (9 months period To 30.09.2009)	PRECEDING YEAR CORRESPONDING (9 months period To 30.09.2008)
	RM'000	RM'000	RM'000	RM'000
Taxation comprises:-				
Malaysia Tax				
- Current year	1,284	3,319	5,848	23,565
- Prior years	1,258	(4,803)	1,258	(4,803)
- Deferred taxation	2,523	1,170	(3,382)	100
	<u>5,065</u>	<u>(314)</u>	<u>3,724</u>	<u>18,862</u>
Foreign tax	-	-	-	-
	<u>5,065</u>	<u>(314)</u>	<u>3,724</u>	<u>18,862</u>

The effective tax rate for the current quarter and 9 months ended 30 September 2009 is lower than the statutory tax rate mainly due to income of several joint venture entities which is not subjected to income tax.

The effective tax rate for the quarter and 9 months ended 30 September 2008 is lower than the statutory tax rate mainly due to income of several joint venture entities which is not subjected to income tax and adjustment for tax over provided previously.

B6 Profit On Sales Of Unquoted Investments And/Or Properties

There were no profits on sale of investment and/or properties recorded for the quarter under review.

B7 Quoted Securities

(a) The Group did not transact any quoted securities for the quarter under review.

(b) As at 30 September 2009, the Group did not hold any quoted securities.

B8 Status Of Corporate Proposals Announced

The Group has not announced any corporate proposal, which has not been completed as at 11 November 2009 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

B9 Group Borrowings And Debt Securities

Details of group borrowings are as follows:-

	As at 30.09.2009 RM'000	As at 31.12.2008 RM'000
<u>Unsecured:-</u>		
Long Term Loan	50,000	50,000
BAIDS	70,000	100,000
ICP/IMTN	200,000	200,000
SUKUK	279,472	273,485
	<u>599,472</u>	<u>623,485</u>
<u>Secured:-</u>		
Long Term Loan	215,800	201,685
Long Term Hire Purchase Creditors	12,556	6,060
	<u>228,356</u>	<u>207,745</u>
	<u>827,828</u>	<u>831,230</u>
 Short Term Bank Borrowings		
<u>Secured :-</u>		
Bank Overdraft	-	5,913
Hire Purchase Creditors	7,334	10,085
Revolving Credit	70,000	-
Term Loans	19,739	48,225
	<u>97,073</u>	<u>64,223</u>
<u>Unsecured :-</u>		
BAIDS	30,000	-
Bank Overdraft	22,208	14,077
Banker Acceptance	19,120	38,464
Revolving Credit	150,237	184,956
	<u>221,565</u>	<u>237,497</u>
	<u>318,638</u>	<u>301,720</u>
	<u>1,146,466</u>	<u>1,132,950</u>

Key : BAIDS - Bai Bithaman Ajil Islamic Debt Securities
 ICP/IMTN - Islamic Commercial Papers / Islamic Medium Term Notes
 SUKUK - Islamic Serial Redeemable Bonds

B10 Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at 11 November 2009 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

B11 Material Litigation

Except as disclosed below, the Group was not engaged in any material litigation from 31 December 2008 (the last annual balance sheet date) to 11 November 2009 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) either as plaintiff or defendant, and the Board of WCT has no knowledge of any proceedings pending or threatened against the Group or of any facts likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group during the said period.

Status update on the litigation and arbitration proceedings in relation to the Cancellation of the Nad Al Sheba Racecourse, Dubai, U.A.E. (“the Cancellation”):

The Arbitration Tribunal to resolve the dispute between the Company (jointly with Arabtec Construction LLC, as Claimants) and Meydan Group LLC (formerly known as Meydan LLC, as Respondent) (collectively referred to as “the parties”) in relation to the Cancellation has been duly constituted with the appointment of the Tribunal Chairman and the respective Co-Arbitrators by the Dubai International Arbitration Centre (“DIAC”). A preliminary procedural meeting has been held and the Tribunal and the Parties are currently following through with the relevant procedural steps.

B12 Dividends

	PAID in Year Ending 31 Dec 2009	PAID in Year Ended 31 Dec 2008
	RM'000	RM'000
<u>Dividend paid</u> For the period from 7 August 2007 to 6 August 2008 13.5% per ICPS of RM0.10 each	-	1,161
<u>Final dividend paid</u> For the financial year ended 31 December 2007 4.5 sen per ordinary share of RM0.50 each less 26% tax	-	25,465
<u>Interim dividend paid</u> For the financial year ended 31 December 2008 5 sen per ordinary share of RM0.50 each less 26% tax	-	28,530
<u>Final dividend paid</u> For the financial year ended 31 December 2008 4.5 sen per ordinary share of RM0.50 each less 25% tax	26,103	-
<u>Dividend paid</u> For the period from 7 August 2008 to 6 August 2009 13.5% per ICPS of RM0.10 each	695	-
<u>Interim dividend paid</u> For the financial year ending 31 December 2009 5 sen per ordinary share of RM0.50 each less 25% tax	29,114	-

B13 Earnings Per Share

	Reporting Quarter 30.09.09	Current Year To Date 30.09.09
(a) Basic Earnings Per Share		
Profit attributable to the equity holders of the parent (RM'000)	33,373	114,549
Weighted average number of ordinary shares in issue ('000)	784,521	783,572
Basic earnings per share (sen)	4.25	14.62
(b) Fully Diluted Earnings Per Share		
Profit attributable to the equity holders of the parent (RM'000)	33,373	114,549
Weighted average number of ordinary shares in issue ('000)	784,521	783,572
Effects of dilution:		
Shares options ('000)	2,643	3,139
Warrants ('000)	-	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	787,164	786,711
Fully diluted earnings per share (sen)	4.24	14.56

B14 Comparative Figures

Comparative figures, where applicable, have been modified to conform to the current quarter presentation.

Date: 18th NOVEMBER 2009