WCT
BUILDING VALUES

1981 • 2016 35 YEARS
OF GROWING EXCELLENCE

ANNUAL REPORT 2015

WCT Holdings Berhad (930464-M)

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

OUR VISION

We inspire and strive for excellence in areas of our expertise

OUR 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

WCT means

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

CONTENTS

A 35 YEARS JOURNEY OF ASPIRATION AND ACHIEVEMENTS

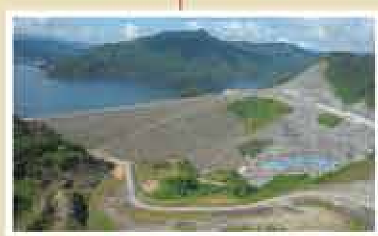
35 YEARS 1981 • 2016 OF GROWING EXCELLENCE

2010 Première Hotel, Klang South, Selangor, Malaysia.

2015 The Ascent, Paradigm Petaling Jaya, Selangor, Malaysia.

2012 Paradigm Mall Petaling Jaya, Selangor, Malaysia.

2009 Yas Marina Circuit, Abu Dhabi, U.A.E.



2010 Bakun Hydroelectric Dam, Sarawak, Malaysia.

1997 Bandar Bukit Tinggi, Klang South, Selangor, Malaysia.

1995 Listing of WCT on the second board of the Kuala Lumpur Stock Exchange.

1981 The company's first machine is still in operation.

1981 1995 1997 2009 2010 2012 2015 2016

WCT HOLDINGS BERHAD

The WCT story began on 14 January 1981 with the incorporation of WCT Earthworks & Building Contractors Sdn Bhd, a humble one-machine company specialising in earthworks. After many years of industry experience, WCT has successfully established a stronger presence and a solid reputation. WCT was publicly listed on Bursa Malaysia in 1995, and is today a dignified winner of world class industry awards. Following an internal reorganisation on 8 July 2013, the Group is now led by the listed investment holding company WCT Holdings Berhad (WCT).

The operation of the Group is mainly spearheaded by two subsidiaries – WCT Berhad and WCT Land Sdn Bhd. Through a workforce of over 2,000 dedicated personnel and a large fleet of plant and machinery, the Group's presence can be felt in Malaysia, Qatar, UAE, Bahrain, India and Vietnam.

WCT BERHAD

WCT Berhad is the Engineering and Construction Division of WCT Holdings Berhad. Specialising in earthworks, highway construction, engineering, buildings and related infrastructure works, the company also provides management services.

WCT LAND

WCT Land is the Property Development and Investment & Management Division of WCT Holdings Berhad. With a presence in the Greater Klang Valley, Kota Kinabalu in Sabah, as well as the Iskandar region of Johor, WCT Land has an impressive portfolio of integrated townships, luxury homes, high-rise residences, industrial properties, offices, integrated commercial developments, concessions, hotels and shopping malls, amounting to a Gross Development Value (GDV) of RM4 billion.

Awards & Achievements

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

Industry 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

10. **Asia Pacific Property Awards 2015 - 2016**
    The Azure Residences Paradigm PJ
    Highly Commended –
    Residential High-rise Architecture Malaysia

Corporate Awards

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11. The BrandLaureate Award - 2009
Winner of the Best Brands for the Engineering & Construction category (2007/2008)

12. SI-KPMG Shareholder Value Awards - 2001
Winner for the Construction, Infrastructure and Property Category
Awarded by Smart Investor-KPMG

13. 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

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

Client's Recognition

17

Putrajaya Holdings Sdn Bhd

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

16. 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

17. Environmental Best Practice (EBeP) 2015
Best Waste Minimization Programme by Contractor for Lot 2C5, Putrajaya, Malaysia

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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

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

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

1981 • 2016 35 YEARS OF GROWING EXCELLENCE

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

B-30-01, The Ascent, Paradigm
No. 1, Jalan SS7/26A, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603-7806 6688
Fax : +603-7806 6610
E-mail : enquiries@wct.my
Web : www.wct.com.my

DIVISIONAL OFFICES

Engineering & Construction

WCT Berhad *(66538-K)*
B-30-01, The Ascent, Paradigm
No. 1, Jalan SS7/26A, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603-7806 6688
Fax : +603-7806 6677

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
United Overseas Bank (Malaysia) Bhd
Doha Bank
Mashreqbank PSC
Al Khalij Commercial Bank (al khaliji) Q.S.C.

SOLICITORS

Adnan Sundra & Low
Anad & Noraini
Jeyaratnam & Chong
Lee Hishammuddin Allen & Gledhill
Mah-Kamariyah & Philip Koh
Mohanadass Partnership
Rahmat Lim & Partners
Raja Darryl & Loh
Soon Gan Dion & Partners
Yip & Co.

STOCK EXCHANGE LISTING

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

Corporate Profile

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.

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 35 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 RM30.0 billion. WCT's scope of engineering and construction expertise covers:

- F1 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 1,000 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 and is slated to open in April 2017.

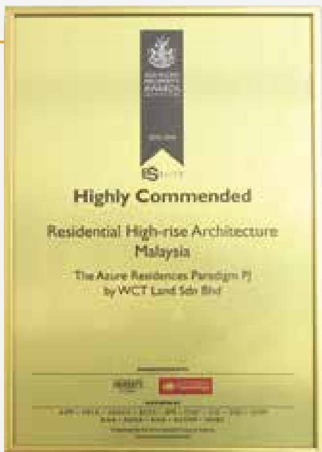
Our unwavering commitment to quality and excellence is reflected in all our developments, leading to numerous recognitions and accolades, locally and internationally. Notably, WCT has received local and international recognition, winning the International Achievement Award 2004 & 2010, Contractor of the Year Award 2010 and Special Project Award 2001 from the Construction Industry Development Board of Malaysia (CIDB); Road Engineering Excellence Award 2007 by the Road Engineering Association of Malaysia; Export Excellence Award 2004 & 2008 by the Ministry of International Trade & Industry, Malaysia (MITI); the Frost & Sullivan Excellence Award 2011 and KLCC Group of Companies 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 2015/2016

March 2015

- WCT Holdings Berhad ("WCT") Group's management and staff from various divisions attended the annual Chinese New Year celebration at the Group's headquarters in Glenmarie, Shah Alam. The auspicious celebration witnessed a thrilling lion dance performance with the traditional "cai qing" act followed by a "yee sang" tossing session. The sumptuous lunch buffet was catered by the Group's maiden hotel, Première Hotel Klang.
- An unincorporated joint venture between WCT Berhad ("WCTB") and Al-Ali Projects Co. (W.L.L.) secured a contract from Lusail Real Estate Development Company worth approximately RM1.2 billion in respect of the works related to Contract no. CP 07-C-1B for the Lusail Development Project in Doha, Qatar. The project is expected to be completed in the second quarter of 2017.
- WCT Land Sdn Bhd ("WCT Land") launched two phases of its affordable homes project in Bandar Parklands, Klang under the *Rumah Selangorku* programme. The two phases are Asteria Apartments (Phase A6, 321 units) and Azaria Apartments (Phase A7, 240 units). Selangor Menteri Besar, Y.A.B. Dato' Seri Mohamed Azmin bin Ali officiated a ground breaking ceremony to mark the launch of the programme. It was witnessed by WCT's Independent Non-Executive Chairman YBhg. Dato' Capt. Ahmad Sufian, officials from the local council and state agencies, invited guests and customers.



May 2015

- WCT Land was awarded the Highly Commended – Residential High-rise Architecture Malaysia award for The Azure Residences Paradigm PJ at the Asia Pacific Property Awards 2015 – 2016. The Asia Pacific Property Awards is the regional award of The International Property Awards, which covers Africa, Asia Pacific, Arabia, Canada, Caribbean, Central and South America, Europe, UK and USA.
- WCT's Fourth Annual General Meeting and Extraordinary General Meeting were held on 19 May 2015 at Première Hotel, Klang. A total of around 100 shareholders attended the event and all the proposed resolutions including the Rights Issue of Shares and Bonus Issue of Warrants were duly passed by the shareholders at the meetings.
- gateway@klia2 celebrated its first-year anniversary with a "Costume Night" theme party. Attended by the Board of Directors of WCT, the event was primarily organised as a way for the company to thank its employees for their hard work and commitment.
- The 2015 edition of the annual Klang Première Century Ride cycling event drew the support of over 1,750 participants, with a total of 650 participants participating in the Fun Ride category and 1100 participants in the Century Ride. The ride coincides with the hotel's community engagement initiative to promote sports, a healthy lifestyle and tourism in the Royal Town of Klang.
- Gabungan Efektif Sdn Bhd, an indirect wholly-owned subsidiary of WCT, had entered into a Sale and Purchase Agreement for the acquisition of three (3) pieces of vacant freehold lands all located in Klang, Selangor Darul Ehsan.

Corporate Diary 2015/2016

June 2015

- WCT Land announced the completion of 1Medini Condo in Medini, Iskandar Malaysia. Launched in 2012, the development is the first high-rise residence in Medini. The residential towers consist of 644 luxury units and were handed over to proud home owners.

July 2015

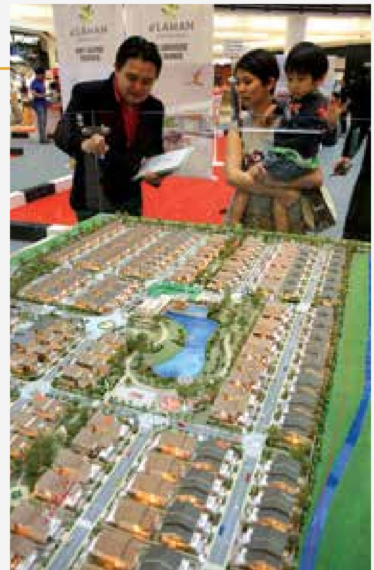
- In celebration of the Hari Raya festivities, WCT's management and staff gathered at various locations for a joyful celebration with mouth-watering local dishes and fun-filled activities.
- In celebration of the official opening of d'Laman Greenville Clubhouse, an exclusive event with musical performances and buggy tours of the showhouses and site was organised for the owners and registrants of d'Laman Greenville. A total of 300 families turned up for the event.

August 2015

- Completed the Rights Issue of Shares with the listing of and quotation for the Rights Shares on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 7 August 2015.
- A grand launch was held at the Majestic Hotel KL to mark the project launch of WCT's fourth retail project "Paradigm Mall Johor Bahru" and the announcement of anchor tenants, namely SOGO (K.L.) Department Store, Golden Screen Cinemas, and Village Grocer. The new mall was unveiled to a full house and graced by Guest of Honour Y.B. Dato' Seri Mohamed Nazri Bin Tan Sri Abdul Aziz, the Minister of Tourism & Culture Malaysia, WCT's Board of Directors and Management Team, tenants, special guests, and the media.

- WCT Land promoted its key properties such as the Medini Signature in Medini Iskandar Malaysia, BRIO Residences in Johor Bahru, The Azure Residences in Petaling Jaya, and d'Bayu Residency in Inanam, Sabah at a property showcase held at Imago Shopping Mall in Kota Kinabalu, Sabah. Attractive packages such as Guaranteed Rental Returns (GRR) and BOS 118 schemes were offered to buyers.

Corporate Diary 2015/2016



September 2015

- WCT Construction Sdn Bhd, an indirect wholly-owned subsidiary of WCT, was awarded the Best Waste Minimization Program By Contractor for its Lot 2C5 Putrajaya project.
- Completed the Bonus Issue of Warrants (2015/2020) with the listing of and quotation for the Warrants (2015/2020) on the Main Market of Bursa Securities on 4 September 2015.
- WCT Group participated in the International Construction Week 2015 exhibition, the largest showcase of the construction industry in Malaysia and the region. The event was held at the Putra World Trade Centre, Kuala Lumpur, and acted as a great platform to showcase WCT's engineering & construction and property projects. The event also encouraged companies to learn and share their knowledge with local and international exhibitors.
- WCT's 2nd Property Showcase which was held at Paradigm Mall, Petaling Jaya featured 13 signature properties at 3 prime locations namely Klang Valley, Medini Iskandar Malaysia, Sabah, and highlighted Rumah Selangorku projects such as the Asteria and Trifolis Apartments. Prospective buyers registered for upcoming projects like the Waltz Residences at Paradigm Garden City, Aerius Residences in Petaling Jaya, BRIO Residences in Johor Bahru, and d'Bayu Residency in Inanam, Sabah.
- Awarded a contract worth approximately RM127.39 million by Kwasa Land Sdn Bhd for the proposed construction and completion of common infrastructure work at Kwasa Damansara Township Development in Sungai Buloh, Selangor.

October 2015

- Awarded a RM70.40 million contract by 1MDB Real Estate Sdn Bhd for the proposed earthworks for Lifestyle Quarter for Phase 1 of "Cadangan Pembangunan Bercampur "Kuala Lumpur International Financial District", Jalan Tun Razak / Jalan Davis, Kuala Lumpur".
- WCTB won a contract worth approximately RM755.0 million from 1MDB Real Estate Sdn Bhd for the proposed construction and completion of infrastructure and roadway works at the Tun Razak Exchange.
- WCTB accepted a contract worth RM267.0 million from PRPC Utilities and Facilities Sdn Bhd, a subsidiary of Petroliam Nasional Bhd ("Petronas") for the procurement, construction and commissioning of civil and infrastructure works at Petchem Interconnecting & 6900 Area and Petchem Interconnecting South Area.

Corporate Diary 2015/2016

November 2015

- WCT Group strengthened its order book by securing another contract worth approximately RM316.0 million from PRPC Utilities and Facilities Sdn Bhd for "Utilities, Interconnecting and offsite (UIO) Facilities: Engineering, Procurement, Construction and Commissioning (EPCC) of Substations (275kv, 33kv & 11kv), Field Auxiliary Room, Operator Shelter Building and Local Control Building".
- Moving Up! The WCT headquarters had been relocated to its first Grade A Corporate Office Tower at The Ascent, Paradigm from its previous office in Glenmarie, Shah Alam.
- WCTB was named the subcontractor by IJM Construction Sdn Bhd for the construction and completion of West Coast Expressway for Package Works for Section 3, 4, 5, 8, & 9: Privatisation of West Coast Expressway (Taiping – Banting) Section 3 – Shah Alam Expressway Interchange to NKVE/FHR2 Interchange (Part of Section 3 of Main Highway Works) for a contract sum of approximately RM282.57 million.

December 2015

- It was a momentous occasion for WCT as a partnership in the form of a Subscription & Shareholders Agreement which was signed by wholly-owned subsidiaries of WCT and UEM Sunrise Berhad (namely WCT Land, Jubilant Courtyard Sdn Bhd ("JCSB") and Sunrise Berhad) to jointly develop 10 parcels of freehold land in Bandar Serendah, the northern corridor of Greater Kuala Lumpur, into a mixed-use development project with gross development value of approximately RM3.0 billion through a joint venture company, JCSB.
- WCTB secured another contract worth approximately RM323.0 million from PRPC Utilities and Facilities Sdn Bhd in respect of the procurement, construction and commissioning of civil & infrastructure works at Storm Drain Central Area for RAPID Project.

January 2016

WCT celebrated its 35th anniversary on 14 January 2016 and a series of community and corporate activities will be organised in 2016 to coincide with the anniversary celebration.

35 1981 • 2016 YEARS OF GROWING EXCELLENCE

February 2016

In celebration of the Lunar New Year, the various WCT offices, namely WCT Headquarters at the Ascent Paradigm Petaling Jaya, Première Hotel Klang and WCT Land office welcomed the year of the Monkey with energetic Lion Dance Performances.

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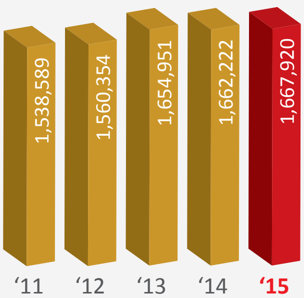
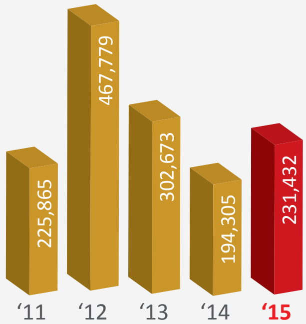
Financial Highlights

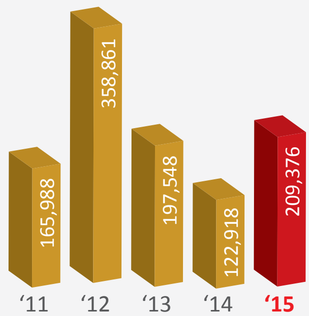
REVENUE
RM'000



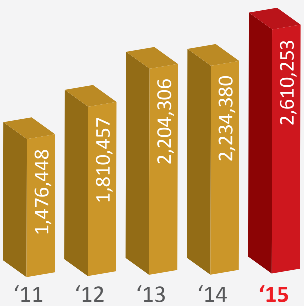
PROFIT FROM OPERATIONS
RM'000



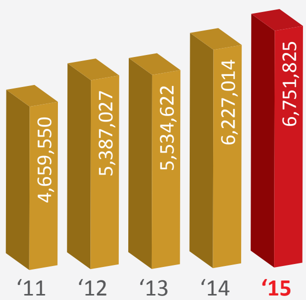
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY
RM'000



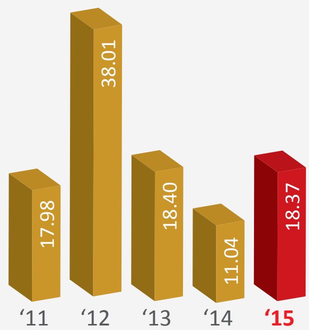
SHAREHOLDERS' FUND
RM'000



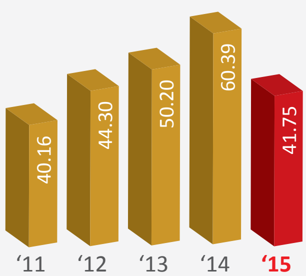
TOTAL ASSETS
RM'000



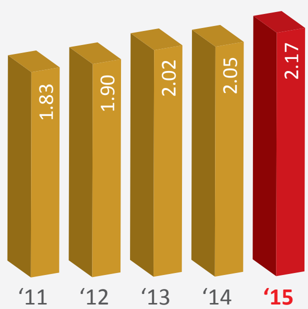
EARNINGS PER SHARE
SEN



DIVIDEND PAYOUT RATIO
%



NET ASSETS PER SHARE
RM



Financial Highlights

		31.12.2015 RM'000	31.12.2014 RM'000	(3)31.12.2013 RM'000	31.12.2012 RM'000	Restated 31.12.2011 RM'000
Revenue						
Construction		1,278,257	1,210,582	1,168,388	1,012,388	1,206,814
Property development		328,553	391,722	425,070	462,975	279,464
Property investment & management		61,110	59,918	61,493	84,991	52,311
Total revenue		1,667,920	1,662,222	1,654,951	1,560,354	1,538,589
Profit from operation						
Construction		129,922	85,786	129,306	109,968	163,500
Property development		68,974	73,529	93,623	117,452	54,933
Property investment & management		32,536	34,990	79,744	240,359	37,432
Total profit from operation		231,432	194,305	302,673	467,779	255,865
Profit attributable to equity holders of the company		209,376	122,918	197,548	358,861	165,988
Issued share capital		600,410	546,276	546,231	475,820	403,780
Shareholders' fund		2,610,253	2,234,380	2,204,306	1,810,457	1,476,448
Total assets		6,751,825	6,227,014	5,534,622	5,387,027	4,659,550
Earnings per share	Sen	18.37	11.04[1]	18.40	38.01	17.98
Dividend payout ratio[2]	%	41.75%	60.39%	50.20%	44.30%	40.16%
Net assets per share	RM	2.17	2.05	2.02	1.90	1.83
Return on total assets	%	3.06%	1.94%	3.43%	6.42%	3.57%
Return on shareholders fund	%	8.02%	5.50%	8.96%	19.82%	11.24%
Net gearing ratio	times	0.78	0.65	0.39	0.40	0.34
Price Performance						
Ordinary Share						
High	RM	1.78	2.37	2.74	2.80	3.63
Low	RM	1.10	1.38	1.99	2.17	1.85
Close	RM	1.61	1.59	2.05	(4)2.35	2.38
Warrants 2013/2017 (WCT-WD)						
High	RM	0.33	0.46	0.65	0.50	-
Low	RM	0.10	0.18	0.26	0.28	-
Close	RM	0.21	0.21	0.38	0.29	-
Warrant 2015/2020 (WCT-WE)[5]						
High	RM	0.28	-	-	-	-
Low	RM	0.13	-	-	-	-
Close	RM	0.19	-	-	-	-

Notes:

1. *Adjusted for the proportionate change in the number as if the rights issue of shares and bonus issue of warrants were issued on 1 January 2014.*
2. *Ratio excludes fair value gain of investment properties.*
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. *Listed on 4 September 2015.*

1981 • 2016 35 YEARS OF GROWING EXCELLENCE

Profiles of Directors

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

TAING KIM HWA
Managing Director

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid, aged 66, 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-five 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, aged 62, 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 to its present form with interests in engineering, construction, property development, property investment and management. Since year 2000, the Group has been reporting significant increases in revenue and profitability.

Under his stewardship, the Group has also expanded its geographical presence by venturing to 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.

Profiles of Directors

GOH CHIN LIONG
Deputy Managing Director

Goh Chin Liong, aged 56, 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 thirty 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 65, 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-five 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.

Profiles of Directors

LIANG KAI CHONG*
Executive Director

WONG YIK KAE
Executive Director

Liang Kai Chong, aged 54, 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 thirty 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, aged 38, 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).

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. 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. From 2013 to 2015, he was overseeing the management and operation of the Group's shopping malls namely, Paradigm Mall Petaling Jaya and gateway@klia2. Mr Wong is currently overseeing WCT's Group Corporate Affairs.

Mr Wong is a member of the Management Committee.

Profiles of Directors

CHOO TAK WOH^
Independent Non-Executive Director

Choo Tak Woh, aged 65, 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.

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.

ANDREW LIM CHEONG SENG*
Independent Non-Executive Director

Andrew Lim Cheong Seng, aged 52, 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.

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 2015.

ECONOMIC OVERVIEW

In the fourth quarter of 2015, the global economy posted moderate growth while Malaysia's economy remained resilient and brought full year gross domestic product (GDP) growth to 5.0% (2014: 6.0%). Malaysia's economic development was driven primarily by private sector expenditure at 4.9% (3Q 2015: 4.4%) and private consumption improved to 4.9% (3Q 2015: 4.1%). On the supply side, the construction sector grew by 7.4% (3Q 2015: 9.9%) and was mainly supported by the civil engineering and residential sub-sectors. In the civil engineering sub-sector, the activities were led by oil & gas and transport-related projects, while residential sub-sectors were led by mass-market and high-end housing segments.

FINANCIAL REVIEW

For the financial year ended 31 December 2015, the Group achieved solid growth with a net profit after taxation of RM209.4 million, which was a 70% increase from RM122.9 million in the previous year. The increase in net profit was mainly due to higher contribution from our local Engineering and Construction and Investment & Management segments. The Group's revenue of RM1,667.9 million represented a slight increase compared to the preceding year's revenue of RM1,662.2 million.

Despite the challenging economic environment, the Group's 2015 performance was satisfactory and all three core business divisions, namely Engineering and Construction, Property Development and Investment & Management contributed positively to the Group's earnings in accordance with their respective growth strategies.

The Engineering and Construction Division contributed approximately RM1,278.3 million or 77% of the Group's total revenue. As for operating profit, the division contributed 56% or RM129.9 million of the Group's operating profit. The Engineering and Construction Division remains the key contributor to the Group's revenue stream. Meanwhile, the Property Development Division recorded an operating profit of RM69.0 million on the back of a revenue of RM328.6 million and the Investment & Management Division achieved operating profit of RM32.5 million on the back of a revenue of RM61.1 million.

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.

Chairman's Statement

STRONG FINISH FOR ENGINEERING & CONSTRUCTION

2015 was an excellent year for the Group's Engineering and Construction Division as it secured approximately RM3.3 billion worth of new contracts and ended the year with RM4.8 billion of outstanding order book comprising infrastructure and building related works.

During the financial year, the Engineering and Construction Division progressed well on the projects procured by the Group and successfully completed and handed over the 9-storey hospital building of the Kota Kinabalu Medical Centre, Sabah project in May 2015, the PLUS Nilai & Seremban Expressway (Fourth Lane Widening Works) in June 2015 and the 31-storey Ministry of International Trade and Industry headquarters in September 2015.

BUILDING EXCELLENCE

In May 2015, the Property Development division took home its first property award, the Highly Commended – Residential High-Rise Architecture Malaysia for The Azure Residences Paradigm Petaling Jaya at the Asia Pacific Property Awards 2015 – 2016. This award is the regional award of The International Property Awards. The awards are split into regions covering Africa, Asia Pacific, Arabia, Canada, Carribbean, Central & South America, Europe, UK and USA.

STRATEGIC PARTNERSHIP

The year 2015 also marked a momentous year for the Group as it sealed a partnership in the form of a Subscription & Shareholders Agreement with the wholly-owned subsidiary of UEM Sunrise Berhad – Sunrise Berhad to jointly develop 10 parcels of freehold land in Serendah through a joint venture company – Jubilant Courtyard Sdn Bhd. The partnership will see WCT and UEM Sunrise Berhad jointly transform 608.63 acres of freehold land into a mixed-use development project with a gross development value of approximately RM3.0 billion in Bandar Serendah, the northern corridor of Greater Kuala Lumpur.

The main aim of this partnership is to propel the Group's Property Development Division to another level and is part of the Group's strategic plan to strengthen the company's balance sheet, in preparation for future land bank acquisition and expansion of recurring income through the Investment & Management businesses.

CORPORATE EXERCISE

The Company undertook the following proposals which were approved by the shareholders at the Extraordinary General Meeting held on 19 May 2015:

I. A renounceable rights issue of up to 143,226,391 new ordinary shares of RM0.50 each in WCT ("WCT Share(s)" or "Share(s)") ("Rights Share(s)") on the basis of one (1) Rights Share for every 10 existing WCT Shares held ("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 one (1) free Warrant E for every five (5) existing WCT Shares held after the completion of the Rights Issue of Shares ("Bonus Issue of Warrants").

Subsequently, 107,926,234 Rights Shares and 236,621,145 Warrants E were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 7 August 2015 and 4 September 2015 respectively, marking the completion of the Rights Issues of Shares and the Bonus Issue of Warrants.

ARBITRATION WIN

In July 2015, WCT's subsidiary, WCT Berhad received a favourable Final Award ruling in an arbitration case against Meydan Group LLC (formerly known as Meydan LLC) ("Meydan") in relation to the cancellation of the construction and completion of the main building works, external works and infrastructure works contract of the Nad Al Sheba Racecourse, Dubai, U.A.E. ("Contract") in end 2008.

Following an evidentiary hearing in April 2015, the Arbitral Tribunal has issued and delivered its Final Award in which it found and has ruled in favour of WCT, amongst others, that Meydan's cancellation and purported termination of the Contract was unlawful, invalid and of no effect and Meydan was therefore not entitled to call on the JV's Performance Bond. Accordingly, the Arbitral Tribunal awarded to and in favour of WCT and ordered Meydan to pay to WCT, approximately RM1.20 billion (based on exchange rate as at 5 July 2015) being the aggregate of the following:-

a) WCTB's claims (in respect of amounts owing for work done, repayment of Performance Bond, loss of profit, damages, interests etc.): approximately RM1.16 billion;

b) Arbitration Costs : approximately RM8.51 million; and

c) Legal Costs : approximately RM27.68 million.

BENEFITTING LOCAL COMMUNITIES

Our corporate social responsibility (CSR) efforts are mainly focused on enhancing the well-being of the local communities through sports and education. Amongst our efforts in 2015/2016 is the launch of the Group's third WCT Kids Sports School (WCT KIDSS) programme in February 2016 by offering free basketball and football programmes to children aged 9 to 12 years old. With a commitment of approximately RM300,000, the programme aims to provide children with the opportunities to learn and grow through team sports, learning core values and developing sporting skills. CSR is an integral component of our business activities and consistent with the Group's support to the local sports community.

In our effort to reach out to deserving high potential Malaysian students, WCT launched the WCT Scholarship Programme in 2012. This programme disburses scholarships to selected local university students 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.

In early 2015, the flood crisis had delayed the school term in certain states. WCT showed its support to the flood victims in the East Coast region by contributing approximately RM26,000 worth of tables and chairs to SJK (C) Yuk Chai in Kuala Krai, Kelantan.

WAY FORWARD

In the new financial year 2016, we anticipate further economic challenges with the continued implementation of the goods and services tax (GST), strict housing loan regulations and falling oil prices. Nonetheless, the outlook of the local construction sector is positive as public spending on infrastructure construction projects is being maintained and will be supported by new projects under the Economic Transformation Programme (ETP) and 11th Malaysia Plan (11MP).

In addition, the Group's construction outstanding order book of RM4.8 billion and unbilled property sales of RM600.0 million provides the Group with a firm footing for the year ahead. The Group is targeting to secure a total of RM2.0 billion worth of new construction projects in Malaysia and abroad in 2016 and the Property Development and Investment & Management Division is expected to launch the Company's next key development, the Paradigm Garden City project in Overseas Union Garden, Kuala Lumpur and the opening of WCT's fourth retail mall, Paradigm Mall Johor Bahru in April 2017.

DIVIDENDS

The single tier interim dividend comprising the following have been paid/credited on 9 October 2015 in respect of the financial year ended 31 December 2015:-

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

(ii) share dividend of one (1) treasury share for every one hundred (100) ordinary shares of RM0.50 each held. 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.

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 continuous dedication that have contributed to the Group's growth. I would also like to thank all 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

18 April 2016

Managing Director's Letter to Shareholders

Dear Valued Shareholders,

2015 was a landmark year for WCT as the Group's Engineering and Construction division achieved a record construction order book replenishment of RM3.3 billion and ended the year with RM4.8 billion of outstanding order book comprising infrastructure and building related works.

I am pleased to present to you the Group's overall results and achievements for Year 2015, followed by a more detailed outline of each of the Group's major component divisions' contribution to these results.


NEW WORLD

Managing Director's Letter to Shareholders

OVERVIEW

For the year under review, WCT Group registered consolidated revenue of RM1,667.9 million while recording operating profits and net profits after tax of RM231.4 million and RM209.4 million, respectively.

The Engineering and Construction Division continues to be the driving force of the Group's business activities, contributing RM1,278.3 million or 77% of the Group's consolidated revenue. In terms of operating profits, it achieved RM129.9 million or 56% of the total operating profits of the Group.

The Property Development Division registered revenue of RM328.6 million or 20% of the Group's consolidated revenue. Operating profit was RM69.0 million or 30% of the Group's total operating profits.

Meanwhile, the Property Investment and Management Division continues to generate sustainable income from its commercial properties namely Bukit Tinggi Shopping Mall, Paradigm Mall Petaling Jaya, gateway@klia2 and Première Hotel Klang. In 2015, total revenue from this segment amounted to RM61.1 million, registering an operating income of RM32.5 million or 14% of the Group's total operating profits.

ENGINEERING & CONSTRUCTION

In 2015, WCT secured RM3.3 billion of new contracts. The Group started the year on a good note, securing the RM1.2 billion Lusail Development Project in Doha, Qatar, via its Joint Venture with Al-Ali Projects Co (W.L.L.). Following that, WCT was awarded the RM127.4 million infrastructure construction project by Kwasa Land Sdn Bhd for the Kwasa Damansara Township Development in Sungai Buloh, Selangor in September 2015.

The other new contracts secured by WCT in October 2015 includes earthworks for the Lifestyle Quarter – Phase 1 of the proposed mixed development at Tun Razak Exchange (TRX) (RM70.4 million), infrastructure and roadway contract at TRX (RM755.0 million) and Petchem Interconnecting & 6900 Area (Package 14-0302) & Petcham Interconnecting South Area (Package 14-0303) contract at RAPID Pengerang from PRPC Utilities and Facilities Sdn Bhd, a subsidiary of Petronas Group (RM267.0 million).

In November 2015, WCT secured another contract from PRPC Utilities and Facilities Sdn Bhd (RM316.0 million) and accepted subcontract works from IJM Construction Sdn Bhd for the construction and completion of the West Coast Expressway (WCE), part of Section 3 of the Main Highway Works (RM283.0 million). Then, we secured the final contract for year 2015 at the RAPID Pengerang Site for the Procurement, Construction and Commissioning (PCC) of Civil & Infrastructure Works at the Storm Drain Central Area (Package 14-0401) (RM323.0 million) in December 2015.

Apart from securing new contracts, WCT was awarded the Best Waste Minimisation Programme by Putrajaya Holdings Berhad for the excellent management and handling of construction wastes for the Putrajaya Commercial Office (Lot 2C5) project in Putrajaya, Malaysia.

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

Engineering & Construction 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.

PROPERTY DEVELOPMENT

2015 was a challenging year for the property sector, with weaker economic conditions and the implementation of property-cooling measures such as strict housing loan regulations and higher real property gains tax (RPGT). The market, according to a report by the National Property Information Centre's (Napic) *First Half Property Market Report* saw a drop in new launches by 12.8% in 1H2015.

For the year under review, the Group's Property Development Division recorded property sales of RM373.25 million.

KLANG VALLEY
Townships Development-Bandar Bukit Tinggi 1 & 2 (BBT), Bandar Parklands and Luxury Homes - d'Laman Greenville, Klang

WCT continues to enjoy healthy demand for its freehold properties at its maiden township, BBT and Bandar Parklands, with total property sales of RM248.15 million.

In line with its commitment to effectively help address the shortage of affordable homes in key areas throughout the country, the Group launched a total of 933 units of affordable homes under the *Rumah Selangorku* programme in 2015. Out of the 933 units, 561 units are the Asteria and Azaria Apartments in Bandar Parklands, while 372 units are the Trifolis Apartments in BBT 2. All three launches saw a full take-up of its non-bumiputra units.

The 12-storey commercial units, BBT_ONE The Towers enjoyed healthy occupancy rates with 70% occupancy in Tower A and 90% occupancy in Tower B. Among some of the notable occupants at BBT_ONE are 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 brisk take-up from shipping and logistics companies that include JF Hillebrand (M) Sdn Bhd, Toll Group of Companies, DSV Air & Sea, Tuck Sun Logistic Group and Silverdew Sdn Bhd (a subsidiary of Hubline Berhad).

Among other highlights are the handover of WCT's corporate hub in Klang, The Landmark in February 2016. The 118 units of 6-storey retail offices and two towers of 9-storey corporate offices are fully sold.

Apart from that, WCT's RM349.0 million freehold integrated development, The Lead Residences in BBT2 and the RM520.0 million luxury bungalows and semi-detached homes at the gated and guarded d'Laman Greenville have been well-received.

To date, about 14,000 homes and 2,600 units of shop offices in both townships have been completed and released to satisfied home buyers and we expect to hand over 154 units of retail offices in 2016 to the buyers.

Moving forward, the mature and established BBT and Bandar Parklands integrated townships are expected to transform into a Transit Oriented Township (TOT) with the commencement of the Light Rail Transit Line Three (LRT 3) project. The townships will be served by three LRT stations namely, Tesco Bukit Tinggi, AEON Bukit Tinggi and Johan Setia (opposite Bandar Parklands). Given the existing ease of access to Klang South through numerous highways including the upcoming new West Coast Expressway (WCE) and its strategic location between three international airports (Subang Airport, KLIA and KLIA 2), two seaports (West Port and North Port) as well as five commuter train stations, the LRT 3 project will further enhance the connectivity and attractiveness of the townships.

The Paradigm, Petaling Jaya

The Paradigm, WCT's first integrated commercial development comprising Paradigm Mall, The Ascent corporate office tower, 2 blocks of high-rise residences – The Azure Residences and The Aerius Residences and the upcoming New World Petaling Jaya Hotel is coming into shape.

The Ascent, a Grade-A 32-storey corporate office tower built to MSC Cybercenter Status specified accreditation was completed in April 2015. To date, the corporate tower enjoys a healthy occupancy rate of 56% and has attracted some of the most prestigious multinational corporations, particularly in the pharmaceutical sector such as anchor tenant DKSH Malaysia Sdn Bhd, Chr Hansen Malaysia Sdn Bhd and Keyence (Malaysia) Sdn Bhd. American based pharmaceutical company, Eli Lilly (Malaysia) Sdn Bhd and leading advertising agency McCann Erickson are the latest tenants to set-up its base at The Ascent Paradigm. WCT has also moved its corporate headquarters to The Ascent in November 2015.

JOHOR
Medini Iskandar Malaysia, Johor Bahru

WCT made its mark in Medini, Iskandar Malaysia with the successful completion and handing over of its high-rise development – 1Medini Residences, the 18-unit exclusive villas – 1Medini Garden Villas and the retail and office spaces – 1Medini Hub in June 2015. The tenants at 1Medini Hub have moved-in and are fully operational.

As part of the Group's long-term commitment to expand its presence in Medini, Iskandar Malaysia, 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 2016

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

1. Waltz Residences at Paradigm Garden City, OUG, Kuala Lumpur, Malaysia.

2. The Aerius Residences at The Paradigm Petaling Jaya, Selangor, Malaysia.

3. *Rumah Selangorku* at Bandar Parklands and Bandar Bukit Tinggi, Klang, Selangor, Malaysia.

4. Retail Offices and Service Apartments in Bandar Bukit Tinggi, Klang, Selangor, Malaysia.

5. Preview of Gated and Guarded Hillside Semi-Detached Homes and Bungalows in Inanam, Sabah.

PROPERTY INVESTMENT & MANAGEMENT

Hospitality

In hospitality, WCT continues its focus in 4-star business hotels complementing existing integrated commercial developments.

WCT's second hotel, New World Hotel Petaling Jaya at the Paradigm development is slated to open at the end 2016 and will be managed by the New World Hotels and Resorts. This hotel will have 300 guest rooms and suites, meeting rooms and banquet facility for 1,200 pax.

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.

Our Group's Paradigm Mall in Petaling Jaya has garnered strong and positive response since its opening in 2012. At the time of writing, 93% of retail space is tenanted. The mall enjoys a strong average footfall of 35,000 on weekdays and 56,000 on weekends and public holidays.

The Group's third retail venture in Malaysia, gateway@ klia2 was officially opened in May 2014. This shopping mall is the "gateway" to the new low cost carrier terminal, klia2 airport. The mall currently enjoys 100,000 footfalls per day and approximately 255,000 sq. ft. of retail space is currently occupied.

WCT is also excited about the prospects of its next shopping mall, Paradigm Mall Johor Bahru (JB) with approximately 1.3 million sq. ft. of nett lettable area as it will present an exciting platform for retailers to launch a strong regional entry into Johor. Slated to open in April 2017, Paradigm Mall JB will be home to Johor's many firsts, which includes a 200,000 sq. ft. SOGO Departmental Store, a 16-screen Golden Screen Cinemas multiplex with GSC Maxx and premiere halls, a 30,000 sq. ft. Village Grocer gourmet supermarket, the first and largest 20,000 sq. ft. ice skating rink and last but not least, the first and largest indoor rocknasium in Johor.

Shopping Mall Concession

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. 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 35 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 infrastructure construction projects. 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 2016 and beyond.

Taing Kim Hwa
Managing Director

18 April 2016

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 - Group Corporate Affairs

NG ENG KEAT
General Manager

KHOR LOKE YEW
General Manager - Legal Affairs & Secretarial

CHONG KIAN FAH
General Manager - 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
Technical Director

SAW AIK HOCK
Project Director

JAMES ANDREW CHAI
Project Director

LIM SWEE HOCK
Project Director

ONG KA THIAM
Head of Machinery

ELINA ABDUL AZIZ
Construction Director

CHOO KAM FOO
Construction Director

YH. DATO' KHAZRUL ELZEY
General Manager -
Business Development

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.

With the award of the Best Waste Minimization Program By Contractor for the Lot 2C5 Putrajaya project in year 2015, the Group was recognised for its proper management and handling of construction waste, including segregation of recyclable materials, proper handling of scheduled waste including scrap materials, and having dedicated silt trap system at the construction site.

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's 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.

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.

Corporate Social Responsibility Statement

Safety and Health

The safety and health of our people are of paramount importance to us. With WCT Group's 35 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.

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.

During the year 2015, approximately 100 employees of Première Hotel participated in a fire drill and first aid training in collaboration with Jabatan Bomba Sri Andalas. The experienced fire fighters shared tips and pointers on how to use the fire extinguisher and it also involved a practical training of the emergency evacuation procedure. The employees were also given training to handle casualties in the event of a fire during the training.

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, the Property Development division of WCT launched a total of 933 units of apartments of its affordable home project under the *Rumah Selangorku* programme. The project comprises Asteria Apartment (phase A6, 321 units) and Azaria Apartment (Phase A7, 240 units) in Bandar Parklands as well as Trifolis Apartment (372 units) in BBT2.

WCT Kids Sports School (KIDSS) program was launched and initiated by WCT 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. The scholarships are awarded annually, both to the general public and the children of WCT employees.

In addition, WCT also provides internship opportunities to young undergraduates to experience working life and put theories learnt into practice. On the other hand, this programme also serves as a platform for WCT Group to discover valuable talents.

WCT Reaches Out to East Coast Flood Victims
January 2015

In support of the flood victims in the East Coast region, WCT contributed approximately RM26,000 worth of tables and chairs to SJK (C) Yuk Chai in Kuala Krai, Kelantan to help the students and teachers prepare for the 2015 new school term. The Group's various business divisions have also taken various initiatives to extend their assistance. Première Hotel Klang donated 250 cartons of mineral water and other necessities while gateway@klia2 offered its mall premises in support of AirAsia's flood relief effort. Employees of gateway@klia2 and Paradigm Mall also successfully raised approximately RM3,000 to aid the flood victims.

Basketball Tournament Fosters Healthy Living
18 January 2015

WCT Group's first 3-on-3 Basketball Tournament was held at SJK (C) Taman Connaught in Kuala Lumpur. The friendly match was organised to foster active and healthy lifestyles among the employees from various business divisions.

Teamwork at Great Heights
17 & 18 January 2015

17 members from the Group's clients, Riverson, Gleneagles and WCT's Kota Kinabalu Medical Centre (KKMC) project team participated in the WCT & Riverson Mount Kinabalu Challenge 2015 with the aim to promote team work, encourage problem solving and strengthen the bond among the teams. The trip laid a strong foundation for better work relationships as they trekked up the prominent Mount Kinabalu in Kota Kinabalu, Sabah.

Première Hotel Gives Back to the Community
22 January 2015

Volunteers from Première Hotel paid a visit to the Pusat Penjagaan Kanak-kanak Cacat Klang and provided assistance in the form of donations.

Corporate Social Responsibility Statement

Paradigm Mall Support a Greater Causes
14 & 15 March 2015

Paradigm Mall showed its support for the National Kidney Foundation Malaysia (NKF) by hosting the World Kidney Day 2015 at the Boulevard. The event was held to create awareness about the importance of kidneys to our general health and wellbeing. The two-day event featured health screenings, performances by Limkokwing students, fundraising and games.

Movie Treat for Children from Nalini Rumah Kasih
21 March 2015

Underprivileged children from Nalini Rumah Kasih were treated to a special preview of DreamWorks' latest animation "HOME" at Golden Screen Cinemas, Paradigm Mall. The children received exclusive "HOME" merchandise and gifts before being treated to a sumptuous brunch courtesy of Fish & Co. Malaysia.

Paradigm Mall Plays Host To Prokidz Flash Mob
1 May 2015

The Boulevard at Paradigm Mall came alive as students from Prokidz Academy International broke into a flash mob performance. The students surprised the crowd with an unannounced dance routine and raised awareness for the Malaysia Confidence Show & Orphanage Home Campaign.

Première Hotel's Annual Bubur Lambuk Programme
20 June 2015

The hotel's annual Bubur Lambuk Programme was attended by guest of honour En. Zakaria Shamsudin; Sri Andalas Residence Community (COMBI) Chairman, and held at Première Hotel's Open Parking. The programme promoted kinship between the hotel COMBI, and College Community, Klang. The highlight of the event was the live cooking demo, which involved guests preparing over a total of 1,200 Bubur Lambuk.

WCT Malls Promote The Local Art Scene

28 June 2015, 19 – 26 July 2015

In conjunction with the 2015 Hari Raya celebrations, Paradigm Mall and gateway@klia2 organised a Hari Raya Art Exhibition to promote artwork by local artists. Pieces commemorating P. Ramlee were displayed, while live sketches were held regularly on weekends. Dato' Mahadzir Lokman; Chairman of the National Visual Arts Gallery (NVAG), officiated the launching ceremonies at both malls and formally handed over several art pieces for charity. The proceeds were then donated to the Malaysian Red Crescent Society (MRCS) for the Sabah earthquake Relief Fund.

WCT Contributes to the Johor Cancer Foundation

3 August 2015

WCT contributed RM100,000 to the Tunku Laksamana Johor Cancer Foundation (TLJCF), a foundation established by Sultan Ibrahim after his son Tunku Laksamana of Johor Tunku Abdul Jalil was diagnosed with liver cancer. The foundation aims to provide financial assistance to underprivileged cancer patients in Johor. The proceeds will be used to provide specialised medical treatment and cover hospital expenses.

WCT Shows Support for Cancer Awareness

September 2015

WCT donated RM5,000 to support activities conducted by The National Cancer Society of Malaysia, which includes health screening programmes, cancer screenings, complementary therapies, and educational talks. The National Cancer Society is a non-government organisation that was established in 1966 with a mission to reduce cancer cases by raising public awareness and educating people on prevention, screening, and early detection.

WCT Encourages Kids to Learn and Grow through Play

September 2015

WCT planned to launch the 3rd WCT KIDSS Programme in an effort to promote WCT's core values of Winning, Commitment, Teamwork, Humility and Respect amongst the younger generation through team sports. In September 2015, the WCT KIDSS team visited the WCT KIDSS participants at the Agathians Shelter in Petaling Jaya and St. Barnabas Homes in Klang. The team conducted an exciting game session and donated some daily necessities to the homes.

Corporate Social Responsibility Statement

Shave it Off!

13 – 15 November 2015

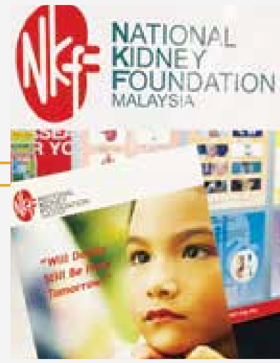
It was a fun November or 'Movember' when Paradigm Mall gave their full support to spread awareness of prostate and testicular cancer. This three-day awareness campaign was held to encourage men to be more proactive and to take ownership of their health.

Also during the event, mall-goers were encouraged to sign up for a direct debit donor programme (DDDP), a donation programme for those who would like to give to the cause together with MAKNA. With the DDDP programme, donors contribute a fixed denomination monthly via credit card or bank account deductions.

All For One, One For All

14 – 29 November 2015

The employees of Paradigm Mall and gateway@klia2 were in Janda Baik, Pahang for a two days, one night team building event. A total of 245 employees participated in the team building event in three different sessions. The main purpose of this event was to build and strengthen teamwork and communication skills among the employees of these two shopping malls. The team building event saw employees participating in activities such as river trekking, Sungai Benus Explorace, Wawa Fun Valley Team Olympics, Maze Runner and other physical activities.



Creating Awareness for Kidney Diseases

4 – 6 December 2015

The National Kidney Foundation (NKF) collaborated with Paradigm Mall to spread awareness about the dangers of kidney diseases. As part of the awareness drive, NKF also handed out pamphlets and flyers to shoppers to inform them about the disease and also the function of the NKF.

The Artwork of Special Children

23 December 2015

WCT Mall – Paradigm Mall and gateway@klia2 collaborated with the National Autism Society of Malaysia (NASOM) and Sireh Pinang Art Colony to launch the NASOM Art Exhibition 2015. The chairman of NASOM, Encik Bistaman Siru Abdul Rahman was present to officiate the launch event at Boulevard, Paradigm Mall. The art exhibition was held at Level 2, gateway@klia2 and featured works by the autistic and special children age 9 to 16. The funds raised from the sale of artworks were donated to NASOM.

WCT Sports Competitions 2015

Employees from various divisions of WCT Group actively participated in the following exciting sports competitions organised by WCT Sports & Recreation Committee with the aim to promote employees' work-life balance and to encourage positive interaction and cooperation amongst the employees:

(i) WCT Bowling Competition - 31 May 2015
(ii) WCT Badminton Competition - 9 & 16 August 2015
(iii) WCT Futsal Tournament - 6 December 2015

Statement on Corporate Governance

The Board of Directors of WCT Holdings Berhad ("WCT" or "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 & 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 to discharge its roles and responsibilities effectively.

The Board Charter, which is 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. 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 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 delivering long-term sustainable values to the stakeholders of the Company. The Company's employees' welfare, workplace, marketplace, environment and communities are an 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 by 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 are provided to the Board on a 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") consists 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 2015, two (2) meetings were held and details of the attendance of the NRC members are as follows:

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

During the financial year, the NRC reviewed the retention of two (2) Independent Directors, the re-election of three (3) directors retiring by rotation at the Fourth Annual General Meeting, 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 provides 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 re-election at the forthcoming Fifth AGM are stated in the notice of AGM. The NRC has assessed the performance of these Directors and recommended to the Board for their re-election to be tabled for shareholders' approval at the forthcoming Fifth AGM. This provides an opportunity for shareholders to renew mandates. The re-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 re-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 consideration 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 2015 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 2015 are as follows:-

	Directors' Fees (RM)	Salaries, Allowance & Other Emoluments (RM)	Benefits-in-kind & Perquisites (RM)	EPF (RM)	Total (RM)
Executive Directors	120,000	6,643,200	153,136	797,184	7,713,520
Non-Executive Directors	144,000	126,000	31,150	-	301,150
Total	**264,000**	**6,769,200**	**184,286**	**797,184**	**8,014,670**

(2) The number of Directors of the Company whose total remuneration were received and/or are 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
RM550,001 to RM600,000	1	-
RM900,001 to RM950,000	1	-
RM1,000,001 to RM1,050,000	1	-
RM1,850,001 to RM1,900,000	1	-
RM3,300,001 to RM3,350,000	1	-
Total	**5**	**3**

➢ *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 is 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 2015, 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 is taken annually, prior to any new appointment and when 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 are 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 that 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 to 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 Fifth 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 positions 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 are in compliance with the MMLR of Bursa Securities on the number of directorships held in public listed companies where the Chairman holds (as permitted by the MMLR) in total four (4) directorships in public listed companies whilst all other Directors are holding only one (1) directorship in a 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 they will spend 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 meeting 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 2015, 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
Wong Yik Kae	4/4
Choo Tak Woh	4/4
Andrew Lim Cheong Seng	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, the Directors of WCT had attended the following in-house seminar and briefing which were organised for the Directors and senior management of WCT Group:-

(A) Talk on Competition Act, 2010: (i) What is the impact on the business; and (ii) The Abuse of a dominant position and compliance (20 October 2015)
(B) Briefing on (i) MFRS 15 – Revenue from contracts with customers; (ii) MFRS 123 – Borrowing Costs; and (iii) The new and revised Auditors Reporting Standards (24 November 2015)

The respective Directors' attendance is as follows:

	Directors	**Attendance**	
		(A)	**(B)**
1	Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	-	✓
2	Taing Kim Hwa	✓	✓
3	Goh Chin Liong	✓	✓
4	Choe Kai Keong	✓	✓
5	Liang Kai Chong	✓	✓
6	Wong Yik Kae	✓	✓
7	Choo Tak Woh	✓	✓
8	Andrew Lim Cheong Seng	✓	✓

In addition to the above in-house seminar and briefing, the following Directors have also attended the following external seminars/trainings:-

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid*

- Update on Malaysian and Regional Economies/Goods and Services Tax, Post Implementation Issues/ An overview of the Price Control and Anti-Profiteering Act/Latest developments in Transfer Pricing (22 September 2015)

Choo Tak Woh*

- Managing Value of Assets under IFRS/MFRS (2 & 3 December 2015)

* *Denotes a member of the Audit Committee*

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 such policies were 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 effectiveness of the system of internal controls within the business units and projects of WCT Group 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 HIGH QUALITY DISCLOSURE

The Board recognises 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 decisions.

The Company maintains the practice of releasing all required announcements as well as material and price sensitive information in a timely manner to Bursa Securities in compliance with the disclosure requirements set out in the MMLR of Bursa Securities. The Company also releases updates in a timely manner to the market and community through the Company's websites, media release and other appropriate channels. Price-sensitive information 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. At the Annual General Meeting, a presentation will be given to the shareholders on WCT Group's performance, strategy and major development programmes. The Board encourages participation from shareholders by having a question and answer session during the meeting whereby the shareholders may channel their queries to the Company's External Auditors and to discuss with the Directors on 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 2015:-

	Total
Meetings/Conference Calls with investors, analysts and fund managers	31
Investors briefings	4
Regional investors road shows/conferences	1
Press conferences/interviews	2

➢ *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 on all investor related matters may be directed to the following person:-

Ms Sherry Goh
Secretary-Group Corporate Affairs
Tel : +603 7806 6662
Email : sherry.goh@wct.my

(This Statement on Corporate Governance has been approved by the Board of Directors via a resolution dated 18 April 2016)

Other Disclosures

The following disclosures in respect of the financial year ended 31 December 2015 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 Proposal

Proceeds totaling RM107,926,234 were raised under the Right Issue of Shares which was completed on 7 August 2015. The status of the utilisation of the proceeds is set out as below:

Purpose		Proposed Utilisation RM'000	Intended Timeframe for Utilisation	Actual Utilisation as at 31 December 2015 RM'000	Balance RM'000	%
(i)	Repayment to suppliers	40,661	Within 24 months from 7 August 2015	40,661	0	0%
(ii)	Repayment to sub-contractors	65,265	Within 24 months from 7 August 2015	45,510	19,755	30%
(iii)	Estimated expenses in relation to the Proposals	2,000	Upon completion	1,612	388	19%
	Total	**107,926**		**87,783**	**20,143**	

2. Share Buy-back

The details of the shares purchased during the financial year ended 31 December 2015 are as follows:

Month/2015	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)
January	449,400	1.52	1.56	1.56	699,756.16
February	672,300	1.61	1.63	1.63	1,094,529.89
March	1,501,800	1.45	1.56	1.49	2,235,976.49
May	150,500	1.68	1.70	1.70	255,392.83
June	6,274,700	1.39	1.58	1.49	9,338,520.44
July	2,750,500	1.34	1.39	1.37	3,767,195.07
August	1,450,500	1.14	1.19	1.18	1,717,077.72

Month/2015	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)
September	100,000	1.36	1.36	1.36	136,323.41
October	686,500	1.40	1.40	1.40	962,824.40
November	255,400	1.33	1.33	1.33	340,350.08
December	1,135,500	1.49	1.63	1.54	1,750,627.52
Total	**15,427,100**				**22,298,574.01**

* *Inclusive of transaction cost and GST*

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 16 June 2015 and 9 October 2015 distributed a total of 10,745,734 and 11,826,465 treasury shares respectively 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 31 December 2015, a total of 7,820,771 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 2015, the following quantum were exercised and converted into ordinary shares:

(i) 400 ordinary shares of RM0.50 each were issued arising from the exercise of 400 Warrants 2013/2016;

(ii) 7,440 ordinary shares of RM0.50 each were issued arising from the exercise of 7,440 Warrants 2013/2017; and

(iii) 333,000 ordinary shares of RM0.50 each were issued arising from the exercise of 333,000 options granted to employees pursuant to the Employees' Share Options Scheme (2013/2023).

A total of 236,621,145 Warrants 2015/2020 ("Warrants E") were issued pursuant to the Bonus Issue of Warrants during the financial year ended 31 December 2015. None of the Warrants E were exercised during the financial year.

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 2015.

(ii) During the financial year, a total of 11,193,000 options had been offered and granted to the eligible employees (including 2,106,000 options granted to the Directors) of the Company at an exercise price of RM1.18, out of which 333,000 options over ordinary shares were exercised by the employees under this offer.

The total number of options granted, exercised and outstanding under the ESOS (2013/2023) since its commencement up to 31 December 2015 is as set out in the table below:

Description		Number of Options (Since commencement up to 31 December 2015)	
		Grand Total	Directors
(a)	Granted	*31,270,000	5,954,000
(b)	Exercised	530,000	0
(c)	Outstanding	29,463,000	5,954,000

* *including forfeited options*

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

Directors and Senior Management		FYE 2015	Since commencement up to 31 December 2015
(a)	Aggregate maximum allocation	26.71%	28.30%
(b)	Actual granted	26.45%	27.03%

(iv) The table below sets out the options granted 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 2015:

	Options over Ordinary Shares of RM0.50 each			
Name of Director	**Balance as at 01.01.2015**	**Number of Options Granted**	**Number of Options Exercised**	**Balance as at 31.12.2015**
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	100,000	50,000	0	150,000
Choo Tak Woh	60,000	30,000	0	90,000
Andrew Lim Cheong Seng	43,000	26,000	0	69,000

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 2015 was RM90,000.00.

7. Depository Receipt Programme

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

8. Variation in Results

There was no material variation between the financial results in the audited financial statements for the financial year ended 31 December 2015 and the unaudited financial results for the financial year ended 31 December 2015 announced by the Company on 25 February 2016.

9. Profit Guarantee

There was no profit guarantee given by the Company for the financial year 2015.

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 2015.

Statement on Risk Management and Internal Control

INTRODUCTION

This statement is in line with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on the Group's compliance with the Principles and Best Practices relating to internal control as per the Malaysian Code on Corporate Governance 2012.

ROLES AND RESPONSIBILITIES

Board of Directors

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 ("AC") is tasked by the Board with the duty of reviewing and monitoring the adequacy, efficiency and effectiveness of the Group's system of internal control with the assistance of the in-house Internal Audit Department ("IAD").

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

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 substantially 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.

Statement on Risk Management and Internal Control

Internal Audit Department

The IAD reports directly to AC and its activities are guided by Internal Audit Charter and Annual Audit Plan that are approved by AC. IAD assist the AC, as well as the Board in discharging their responsibilities by providing independent, objective assurance and advisory services that add value and improve the operations. IAD monitor compliance with the Group's policies and procedures as well as applicable laws and regulations, and provides independent and objective assurance on the adequacy and effectiveness of internal controls system by conducting regular audit and continuous assessment.

Significant audit concerns and recommendations for improvement are highlighted to senior management and the AC, with periodic follow-up reviews of the implementation of the agreed corrective/preventive action plan.

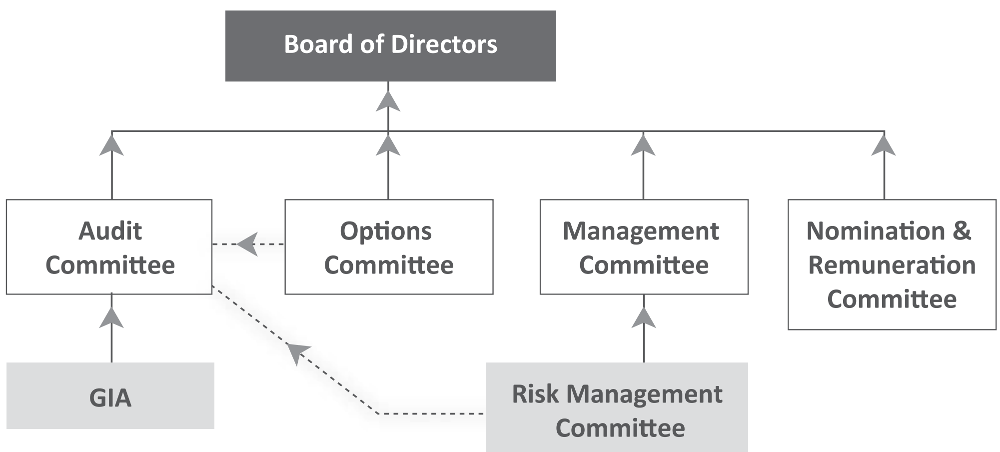
The Group's Core Value

The Group's corporate culture is embedded in its core value of **W**inning – **C**ommitment – **T**eamwork – **H**umility and **R**espect has been the main ingredient for the Group's continuous growth and success.

Internal Control System

The Group manages its risk by implementing various internal control mechanisms and the key element of the internal control system are:-

- 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 Department.

- 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 the 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 adequately 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.

Statement on Risk Management and Internal Control

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 2015 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.

Review of this Statement

The external auditors have performed limited assurance procedures on the Statement pursuant to the scope set out in Recommended Practice Guide ("RPG") 5 (Revised 2015), Guidance for Auditors on Engagements to report on the Statement included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the Annual Report of the Group for the year ended 31 December 2015, and reported to the Board that nothing has come to their attention that causes them to believe the Statement intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines, nor is the Statement factually inaccurate.

RPG 5 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and management thereon. The report from the external auditors was made solely for, and directed solely to the Board of Directors in connection with their compliance with the Listing Requirements of Bursa Malaysia Securities Berhad and for no other purposes or parties. The external auditors do not assume responsibility to any person other than the board of directors in respect of any aspect of this report.

Conclusion

The Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control system. The Board has received assurance from the Managing Director and the General Manager – Corporate & Finance that the Group's risk management and internal control system is operating adequately and effectively.

(This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board dated 18 April 2016)

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 auditors, the Chairman of the Committee shall convene a meeting of the Committee to consider any matter the external auditors 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 auditors (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 auditors without the presence of management and executive directors. For the financial year ended 31 December 2015, 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	5/5

III. RIGHTS AND AUTHORITY

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

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

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

(4) The Audit Committee has direct communication channels with the external auditors 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 auditors, 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 auditors, 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 auditors' evaluation of the Group's system of internal controls;

(d) the external auditors' 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 auditors may wish to discuss (in the absence of management where necessary);

(f) the assistance given by employees of the Group to the external auditors; 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 Main Market 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 2015, 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 thirty-two (32) internal audit reports on operational, financial and compliance audit for construction, property development, property management, hotel operation and mall operation for both local and overseas operation;

(8) Discussed and approved forty (40) internal audit plans for year 2016 for both Construction and Property Divisions;

(9) Visited 1Medini, Medini Signature and Paradigm Johor Bahru project site and had discussions with multiple key personnel with regards to the progress of work, encumbrances faced and all other matters at project site;

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

(11) Reviewed the report on the verification of allocation of options conducted by the Internal Auditors to ensure the options allocated and granted during the financial year under the Company's Employees' Share Option Scheme ("ESOS") were in accordance with the allocation criteria approved by the Options Committee and in compliance with the By-Laws of the ESOS.

D. INTERNAL AUDIT FUNCTION

The internal audit function of the Group is performed in-house and undertaken by its Internal Audit Department which reports directly to the Audit Committee. The Internal Audit Department adopts a risk-based audit approach when preparing its annual audit plan which is approved by the Audit Committee. The annual audit plan covers a majority of the business units and projects of the Group.

The principle role of the Internal Audit Department is to provide independent and objective reports on the effectiveness of the system of internal controls within the business units and projects of the Group.

During the year, the Internal Audit Department has undertaken independent audit assignments on business units and projects of the Group in accordance with the approved annual audit plan. The resultant audit reports which include action plans as agreed with the operational level management, were presented to the Audit Committee for deliberation and forwarded to the Management for the necessary corrective actions to be taken.

E. ACTIVITIES OF THE INTERNAL AUDIT FUNCTION IN 2015

A summary of the Internal Audit activities during the financial year is as follow:-

1. Prepared the annual audit plan for the approval of the Audit Committee;

2. Performed operational audits on business units and projects of the Group to ascertain the adequacy and integrity of the internal control system and made recommendations for improvement. In 2015, Internal Audit Department completed thirty-six (36) internal audit reviews which are categorised as follows:

No.	Type of Review	Number of Completed Reviews
a	On-going construction & property development project	14
b	Completed construction & property development project	3
c	Property Management	1
d	Hotel operation	5
e	Mall operation	6
f	Subsidiary/Department/Process operation/compliance	7
Total:		**36**

3. Conducted follow-up reviews to determine the adequacy, effectiveness and timeliness of actions taken by the Management based on the audit recommendations and to provide updates on their status to the Audit Committee; and

4. Reviewed the allocations of share options pursuant to the ESOS during the financial year to verify whether such allocation were made in accordance with the allocation criteria approved by the Options Committee and in compliance with the ESOS's By-Laws.

The total cost incurred in respect of the Group's internal audit function for the financial year ended 31 December 2015 was approximately RM728,564.80.

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 2015.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and provision of management services to the subsidiaries and joint ventures.

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	206,887	75,928
Attributable to:		
Equity holders of the Company	209,376	75,928
Non-controlling interest	(2,489)	-
	206,887	75,928

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 50 to the financial statements.

DIVIDENDS

Dividends paid by the Company since 31 December 2014 were as follows:

	RM'000
In respect of the financial year ended 31 December 2014:	
Final dividend paid	
Single tier interim dividend comprising:	
- Cash dividend of 1.00 sen per ordinary share on 1,074,962,994 ordinary shares of RM0.50 each, paid on 16 June 2015; and	10,750
- Share dividend by way of distribution of 10,745,734 treasury shares on 16 June 2015 on the basis of 1 treasury share for every 100 ordinary shares held in the Company	20,628
In respect of the financial year ended 31 December 2015:	
Interim dividend paid	
Single tier interim dividend comprising:	
- Cash dividend of 1.00 sen per ordinary share on 1,183,016,202 ordinary shares of RM0.50 each, paid on 9 October 2015; and	11,830
- Share dividend by way of distribution of 11,826,465 treasury shares, on 9 October 2015 on the basis of 1 treasury share for every 100 ordinary shares held in the Company	18,170
	61,378

At the forthcoming Annual General Meeting, a final single-tier cash dividend in respect of the financial year ended 31 December 2015 of 2.00 sen per ordinary share will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2016.

Directors' Report

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 Option Scheme 2013/2023 ("ESOS 2013/2023") and warrants issued by the Company.

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

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in ordinary shares, warrants 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 2015	Acquired	(Disposed)	31 December 2015
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid				
- direct	946,875	95,634	(210,000)	850,396
		17,887*		
- indirect (child)	21,715	2,193	-	24,365
		457*		
Taing Kim Hwa				
- direct	2,416,597	344,074	-	2,812,683
		52,012*		
- deemed **	209,953,812	22,321,378	-	236,718,472
		4,443,282*		
Goh Chin Liong				
- direct	6,885,410	695,426	-	7,726,186
		145,350*		
Choe Kai Keong				
- direct	3,178,220	321,000	-	3,566,312
		67,092*		
Liang Kai Chong				
- direct	3,685,442	372,228	-	4,135,468
		77,798*		
- indirect (spouse)	236,363	23,872	-	265,223
		4,988*		

DIRECTORS' INTERESTS *cont'd*

	WCT Holdings Berhad			
	No. of ordinary shares of RM0.50 each			
	1 January 2015	Acquired	(Disposed)	31 December 2015
Wong Yik Kae				
- direct	76,361	76,304	(20,000)	135,591
		2,926*		
Choo Tak Woh				
- direct	34,845	3,907	-	39,491
		739*		
- indirect (spouse)	215,209	21,939	-	241,693
		4,545*		

* *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 2015	Acquired	(Disposed/ Exercised)	31 December 2015
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
Liang Kai Chong				
- direct	506,545	-	(180,000)	326,545
- 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 29(d).

DIRECTORS' INTERESTS *cont'd*

	WCT Holdings Berhad			
	Number of Warrants 2013/2017			
	1 January 2015	Acquired	(Disposed/ Exercised)	31 December 2015
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	50,000	-	1,115,649
- indirect	47,776,160	-	-	47,776,160
Goh Chin Liong				
- direct	1,898,607	-	-	1,898,607
Choe Kai Keong				
- direct	1,516,800	-	-	1,516,800
Liang Kai Chong				
- direct	628,080	-	-	628,080
- indirect (spouse)	40,700	-	-	40,700
Wong Yik Kae				
- direct	522,801	-	(472,000)	50,801
Choo Tak Woh				
- indirect (spouse)	54,623	-	-	54,623

The terms and conditions of Warrants 2013/2017 are disclosed in Note 29(e).

DIRECTORS' INTERESTS *cont'd*

	WCT Holdings Berhad			
	Number of Warrants 2015/2020			
	Warrants allotted on 28 August 2015	Acquired	(Disposed/ Exercised)	31 December 2015
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid				
- direct	210,395	-	-	210,395
- indirect (child)	4,824	-	-	4,824
Taing Kim Hwa				
- direct	536,966	-	-	536,966
- indirect	46,874,944	-	-	46,874,944
Goh Chin Liong				
- direct	1,529,938	-	-	1,529,938
Choe Kai Keong				
- direct	706,200	-	-	706,200
Liang Kai Chong				
- direct	818,904	-	-	818,904
- indirect (spouse)	52,519	-	-	52,519
Wong Yik Kae				
- direct	30,810	-	-	30,810
Choo Tak Woh				
- direct	7,820	-	-	7,820
- indirect (spouse)	47,860	-	-	47,860

The terms and conditions of Warrants 2015/2020 are disclosed in Note 29(f).

DIRECTORS' INTERESTS *cont'd*

	Number of options over ordinary shares of RM0.50 each pursuant to WCT Holdings Berhad's ESOS 2013/2023			
	1 January 2015	**Granted**	**(Exercised)**	**31 December 2015**
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	100,000	50,000	-	150,000
Taing Kim Hwa	1,600,000	800,000	-	2,400,000
Goh Chin Liong	900,000	450,000	-	1,350,000
Choe Kai Keong	500,000	250,000	-	750,000
Liang Kai Chong	500,000	250,000	-	750,000
Wong Yik Kae	145,000	250,000	-	395,000
Choo Tak Woh	60,000	30,000	-	90,000
Andrew Lim Cheong Seng	43,000	26,000	-	69,000

Further information of the ESOS 2013/2023 are disclosed in Note 29(c).

ISSUE OF SHARES

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM546,276,182 to RM600,409,719 by way of:

(i) issuance of 333,000 new ordinary shares of RM0.50 each pursuant to the exercise of the ESOS 2013/2023 at the exercise price of RM1.18 per ordinary share;

(ii) issuance of 400 and 7,440 ordinary shares of RM0.50 each pursuant to the conversion of Warrants 2013/2016 and Warrants 2013/2017 at exercise prices of RM1.54 and RM2.25 respectively per ordinary share for cash; and

(iii) issuance of 107,926,234 new ordinary shares of RM0.50 each in the Company ("Rights Share(s)") on the basis of one (1) Rights Share for every 10 existing shares of the Company held on 7 July 2015 at an issue price of RM1.00 per Rights Share ("Rights Issue"). The Rights Issue was completed on 7 August 2015.

The new ordinary shares issued during the financial year ranked *pari passu* in all respects with the existing ordinary shares of the Company.

TREASURY SHARES

During the financial year, the Company repurchased a total of 15,427,100 of its issued ordinary shares from the open market at an average price of RM1.45 per share. The total consideration paid for the repurchase including transaction costs was RM22,297,151. 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.

During the financial year, 10,745,734 and 11,826,465 treasury shares were distributed as share dividends to the shareholders on 16 June 2015 and 9 October 2015 respectively on the basis of one (1) treasury share for every one hundred (100) ordinary shares of RM0.50 each held at the entitlement date on 26 May 2015 and 15 September 2015 respectively, fractions of treasury shares was disregarded.

As at 31 December 2015, the Company held 7,820,771 treasury shares with a carrying amount of RM10,765,122. Further details of treasury shares are disclosed in Note 29(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 2015 are disclosed in Note 29(c).

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 100,000 ordinary shares of RM0.50 each during the financial year ended 31 December 2015.

The names of option holders who are granted options to subscribe for 100,000 and above ordinary shares of RM0.50 each during the financial year, other than Directors of the Company whose details are disclosed in the section on Directors' Interests in these financial statements, are as follows:

	Number of options over ordinary shares of RM0.50 each granted pursuant to ESOS 2013/2023
Ng Eng Keat	100,000
Mohd Roslan bin Sarip	100,000
Saw Aik Hock	100,000
Goh Tong Kiat	100,000
James Andrew Chai	100,000
Wan Ahmad Shukri bin Wan Daud	100,000
Chong Wah Hing	100,000
Wong Cheong Ming	100,000

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 29(d).

As at the reporting date, 156,985,999 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 29(e).

As at the reporting date, 163,623,712 Warrants 2013/2017 remained unexercised.

WARRANTS 2015/2020

On 28 August 2015, the Company issued 236,621,145 Warrants 2015/2020 pursuant to the bonus issue of 1 Warrant 2015/2020 for every 5 existing ordinary shares held in the Company. The Warrants 2015/2020 were listed on the Bursa Securities on 4 September 2015. The salient terms of the Warrants 2015/2020 are disclosed in Note 29(f).

As at the reporting date, 236,621,145 Warrants 2015/2020 remained unexercised.

OTHER STATUTORY INFORMATION

(a) Before the statements of financial position, statements of profit and loss and the statements of other 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.

OTHER STATUTORY INFORMATION *cont'd*

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

(i) 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.

(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 48 to the financial statements.

Directors' Report

SUBSEQUENT EVENTS

Details of subsequent events are disclosed in Note 49 to the financial statements.

MATERIAL LITIGATION

Details of an enforcement of the Award are disclosed in Note 50 to the financial statements.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the Directors dated 18 April 2016.

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 82 to 253 are drawn up in accordance with Financial Reporting Standards and the requirements of 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 2015 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 53 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 18 April 2016.

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 82 to 254 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 18 April 2016

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 2015 of the Group and of the Company, statements of profit and loss, statements of other 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 82 to 253.

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 requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible 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 give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 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 statements 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 53 on page 254 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. 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
18 April 2016

1981 • 2016 35 YEARS OF GROWING EXCELLENCE

Statements of Financial Position

as at 31 December 2015

		Group		Company	
		2015	2014	2015	2014
	Note	RM'000	RM'000	RM'000	RM'000
Non-current assets					
Property, plant and equipment	4	288,359	235,656	3,507	6
Land held for property development	5(a)	1,130,245	991,553	-	-
Investment properties	6	882,986	737,813	-	-
Investments in subsidiaries	7	-	-	3,215,576	3,213,427
Investments in associates	8	149,659	132,361	-	-
Investments in joint ventures	9(b)	514,384	395,384	351	236
Trade receivables	10	698,723	653,928	-	-
Other receivables	11	360,931	300,215	564	-
Due from related parties	12	12,119	9,919	500,000	-
Deferred tax assets	13	11,453	21,445	436	4,262
		4,048,859	3,478,274	3,720,434	3,217,931
Current assets					
Property development costs	5(b)	555,945	423,173	-	-
Inventories	14	153,858	90,710	-	-
Trade receivables	10	919,520	876,644	-	-
Other receivables	11	223,027	167,643	685	1,149
Due from related parties	12	150,272	214,999	1,844,499	1,867,148
Tax recoverable		36,610	24,730	3,630	-
Cash and bank balances	15	523,804	950,841	174,849	193,484
		2,563,036	2,748,740	2,023,663	2,061,781
Non-current assets classified as held for sale	16	139,930	-	-	-
		2,702,966	2,748,740	2,023,663	2,061,781

Statements of Financial Position
as at 31 December 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Current liabilities					
Trade payables	17	757,471	835,482	-	-
Other payables	18	175,645	207,529	21,103	21,335
Due to related parties	12	3,646	-	805,425	235,568
Borrowings	19	520,410	584,112	-	392,385
Tax payable		8,869	13,200	-	5,095
		1,466,041	1,640,323	826,528	654,383
Liabilities classified as held for sale	16	1	-	-	-
		1,466,042	1,640,323	826,528	654,383
Net current assets		1,236,924	1,108,417	1,197,135	1,407,398
		5,285,783	4,586,691	4,917,569	4,625,329
Financed by:					
Equity attributable to equity holders of the Company					
Share capital	29	600,410	546,276	600,410	546,276
Share premium	30	2,228,460	2,174,151	2,228,460	2,174,151
Reserves	31	(207,852)	(458,781)	349,464	332,168
Treasury shares, at cost	29	(10,765)	(27,266)	(10,765)	(27,266)
		2,610,253	2,234,380	3,167,569	3,025,329
Non-controlling interest	32	36,849	52,762	-	-
Total equity		2,647,102	2,287,142	3,167,569	3,025,329
Non-current liabilities					
Trade payables	17	132,083	89,379	-	-
Other payables	18	389,091	328,370	-	-
Borrowings	19	2,072,836	1,846,400	1,750,000	1,600,000
Deferred tax liabilities	13	44,671	35,400	-	-
		2,638,681	2,299,549	1,750,000	1,600,000
		5,285,783	4,586,691	4,917,569	4,625,329

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

Statements of Profit and Loss

for the financial year ended 31 December 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Revenue	33	1,667,920	1,662,222	207,415	95,813
Cost of sales	34	(1,475,575)	(1,428,635)	-	-
Gross profit		192,345	233,587	207,415	95,813
Other operating income	35	146,765	60,946	812	153
Administration expenses		(73,829)	(72,845)	(14,240)	(13,114)
Other expenses		(33,849)	(27,383)	(897)	(508)
Operating profit		231,432	194,305	193,090	82,344
Finance costs	36	(57,808)	(60,233)	(116,296)	(77,495)
Share of results of associates	8	9,226	8,393	-	-
Share of results of joint ventures	9(b)	78,982	6,989	-	-
Profit before taxation	37	261,832	149,454	76,794	4,849
Taxation	38	(54,945)	(28,483)	(866)	1,228
Profit after taxation		206,887	120,971	75,928	6,077
Attributable to:					
Equity holders of the Company		209,376	122,918	75,928	6,077
Non-controlling interest	32	(2,489)	(1,947)	-	-
		206,887	120,971	75,928	6,077
Earnings per share attributable to equity holders of the Company (sen)					
- Basic	39 (i)	18.37	11.04		
- Fully diluted	39 (ii)	18.33	10.32		

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

Statements of Other Comprehensive Income

for the financial year ended 31 December 2015

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Profit after taxation	206,887	120,971	75,928	6,077
Other comprehensive income:				
Foreign currency translation	67,014	7,094	-	-
Revaluation of freehold land and buildings	37,603	-	-	-
Other comprehensive income for the year, net of tax	104,617	7,094	-	-
Total comprehensive income for the year	311,504	128,065	75,928	6,077
Total comprehensive income for the year attributable to:				
Equity holders of the Company	308,831	127,358	75,928	6,077
Non-controlling interest	2,673	707	-	-
	311,504	128,065	75,928	6,077

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 2015

Group	Note	Share capital (Note 29) RM'000	Share premium (Note 30) RM'000	Treasury shares (Note 29) RM'000	Internal reorganisation reserve (Note 31) RM'000	Warrants reserve (Note 31) RM'000	Revaluation reserve (Note 31) RM'000	Other reserve (Note 31) RM'000	Capital reserve (Note 31) RM'000	Equity compensation reserve (Note 31) RM'000	Exchange reserve (Note 31) RM'000	General reserve (Note 31) RM'000	Retained profits (Note 31) RM'000	Total RM'000	Non-controlling interest (Note 32) RM'000	Total equity RM'000
		Attributable to equity holders of the Company														
			Non-Distributable									Distributable				
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/(loss) for the financial year		-	-	-	-	-	-	-	-	-	-	-	122,918	122,918	(1,947)	120,971
Other comprehensive income		-	-	-	-	-	-	-	-	-	4,440	-	-	4,440	2,654	7,094
Total comprehensive income for the year		-	-	-	-	-	-	-	-	-	4,440	-	122,918	127,358	707	128,065
Dividends paid to shareholders	40	-	-	-	-	-	-	-	-	-	-	-	(48,794)	(48,794)	-	(48,794)
Share dividends distributed to shareholders	40	-	-	23,321	-	-	-	-	-	-	-	-	(23,321)	-	-	-
Share options vested under ESOS	37(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	29	-	-	(50,587)	-	-	-	-	-	-	-	-	-	(50,587)	-	(50,587)
Arising from share options exercised	29,30	36	120	-	-	-	-	-	-	-	-	-	-	156	-	156
Arising from conversion of warrants	29,30	9	26	-	-	-	-	-	-	-	-	-	-	35	-	35
Transfer within reserve for ESOS exercised	30	-	28	-	-	-	-	-	-	(28)	-	-	-	-	-	-
Transfer within reserve for warrants exercised	30	-	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

Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2015

		Attributable to equity holders of the Company														
		Non-Distributable										Distributable				
Group	Note	Share capital (Note 29) RM'000	Share premium (Note 30) RM'000	Treasury shares (Note 29) RM'000	Internal reorganisation reserve (Note 31) RM'000	Warrants reserve (Note 31) RM'000	Revaluation reserve (Note 31) RM'000	Other reserve (Note 31) RM'000	Capital reserve (Note 31) RM'000	Equity compensation reserve (Note 31) RM'000	Exchange reserve (Note 31) RM'000	General reserve (Note 31) RM'000	Retained profits (Note 31) RM'000	Total RM'000	Non-controlling interest (Note 32) RM'000	Total equity RM'000
At 1 January 2015		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
Profit/(loss) for the financial year		-	-	-	-	-	-	-	-	-	-	-	209,376	209,376	(2,489)	206,887
Other comprehensive income		-	-	-	-	-	37,603	-	-	-	61,852	-	-	99,455	5,162	104,617
Total comprehensive income for the year		-	-	-	-	-	37,603	-	-	-	61,852	-	209,376	308,831	2,673	311,504
Dividends paid to shareholders	40	-	-	-	-	-	-	-	-	-	-	-	(22,580)	(22,580)	-	(22,580)
Dividends paid to non-controlling interest	32	-	-	-	-	-	-	-	-	-	-	-	-	-	(18,586)	(18,586)
Share dividends distributed to shareholders	40	-	-	38,798	-	-	-	-	-	-	-	-	(38,798)	-	-	-
Share options vested under ESOS	37(b)	-	-	-	-	-	-	-	-	3,467	-	-	-	3,467	-	3,467
Share options vested under ESOS included in investment in joint ventures	9(b)	-	-	-	-	-	-	-	-	115	-	-	-	115	-	115
Arising from share buy-back	29	-	-	(22,297)	-	-	-	-	-	-	-	-	-	(22,297)	-	(22,297)
Arising from share options exercised	29,30	167	226	-	-	-	-	-	-	-	-	-	-	393	-	393
Arising from conversion of warrants	29,30	4	14	-	-	-	-	-	-	-	-	-	-	18	-	18
Arising from rights issue	29,30	53,963	53,963	-	-	-	-	-	-	-	-	-	-	107,926	-	107,926
Transfer within reserve for ESOS exercised	30	-	106	-	-	-	-	-	-	(106)	-	-	-	-	-	-
Transfer within reserve		-	-	-	-	-	-	(63)	-	-	-	-	63	-	-	-
At 31 December 2015		600,410	2,228,460	(10,765)	(1,554,791)	53,023	61,273	77	2,846	8,645	(37,485)	1,438	1,257,122	2,610,253	36,849	2,647,102

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 2015

		Non-Distributable					Distributable	
		Share capital	Share premium	Treasury shares	Warrants reserve	Equity compensation reserve	Retained profits	Total equity
		(Note 29)	(Note 30)	(Note 29)	(Note 31)	(Note 31)	(Note 31)	
Company	**Note**	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
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 paid to shareholders	40	-	-	-	-	-	(48,794)	(48,794)
Share dividends distributed to shareholders	40	-	-	23,321	-	-	(23,321)	-
Share options vested under ESOS	37(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	29	-	-	(50,587)	-	-	-	(50,587)
Arising from share options exercised	29,30	36	120	-	-	-	-	156
Arising from conversion of warrants	29,30	9	26	-	-	-	-	35
Transfer within reserve for ESOS exercised	30	-	28	-	-	(28)	-	-
Transfer within reserve for warrants exercised	30	-	4	-	(4)	-	-	-
At 31 December 2014		546,276	2,174,151	(27,266)	53,023	5,169	273,976	3,025,329

Statement of Changes in Equity

for the financial year ended 31 December 2015

Company	Note	Share capital (Note 29) RM'000	Share premium (Note 30) RM'000	Treasury shares (Note 29) RM'000	Warrants reserve (Note 31) RM'000	Equity compensation reserve (Note 31) RM'000	Retained profits (Note 31) RM'000	Total equity RM'000
		← Non-Distributable				→	Distributable	
At 1 January 2015		546,276	2,174,151	(27,266)	53,023	5,169	273,976	3,025,329
Profit for the financial year		-	-	-	-	-	75,928	75,928
Total comprehensive income for the year		-	-	-	-	-	75,928	75,928
Dividends paid to shareholders	40	-	-	-	-	-	(22,580)	(22,580)
Share dividends distributed to shareholders	40	-	-	38,798	-	-	(38,798)	-
Share options vested under ESOS	37(b)	-	-	-	-	588	-	588
Share options vested under ESOS included in investment in subsidiaries	7	-	-	-	-	2,149	-	2,149
Share options vested under ESOS included in investment in joint ventures	9(b)	-	-	-	-	115	-	115
Arising from share buy-back	29	-	-	(22,297)	-	-	-	(22,297)
Arising from share options exercised	29,30	167	226	-	-	-	-	393
Arising from conversion of warrants	29,30	4	14	-	-	-	-	18
Arising from rights issue	29,30	53,963	53,963	-	-	-	-	107,926
Transfer within reserve for ESOS exercised	30	-	106	-	-	(106)	-	-
At 31 December 2015		600,410	2,228,460	(10,765)	53,023	7,915	288,526	3,167,569

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 2015

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Cash flows from operating activities				
Profit before taxation	261,832	149,454	76,794	4,849
Adjustments for:				
Interest income	(40,379)	(39,615)	(104,116)	(69,080)
Dividend income	-	-	(98,296)	(22,936)
Dividend income from marketable securities	-	(1,234)	-	-
Interest expense	57,808	60,233	116,296	77,495
Net unrealised foreign exchange gains	(92,535)	(18,050)	-	-
Allowance for doubtful debts				
- third parties	4,401	4,670	-	-
Property, plant and equipment				
- depreciation	8,052	8,170	619	1
- (gain)/loss on disposal	(199)	16,245	-	-
- written off	21	37	-	-
Bad debts written off	2,654	3,001	-	-
Reversal of allowance for impairment of trade and other receivables	-	(1,024)	-	-
Gain on disposal of properties held for sale	(29)	(53)	-	-
Net write down in value of properties held for sale	109	157	-	-
Share options granted under ESOS	3,467	1,805	588	398
Fair value gain on investment properties	(11,918)	(9,945)	-	-
Share of results of associates	(9,226)	(8,393)	-	-
Share of results of joint ventures	(78,982)	(6,989)	-	-
Provision of foreseeable losses for				
- contract work in progress	258	2,000	-	-
Finance income from loan and receivables	(224)	(1,011)	-	-

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Cash flows from operating activities *cont'd*				
Operating profit/(loss) before changes in working capital	105,110	159,458	(8,115)	(9,273)
Development expenditure	(365,095)	(448,697)	-	-
Related parties	123,708	(8,570)	92,506	(599,854)
Joint ventures	(4,903)	(2,600)	-	-
Inventories	(63,228)	(16,380)	-	-
Receivables	(214,764)	(178,210)	(100)	(200)
Payables	(6,469)	164,395	(232)	8,296
Cash flows (used in)/generated from operations	(425,641)	(330,604)	84,059	(601,031)
Taxation paid	(60,770)	(58,826)	(5,765)	(761)
Net cash (used in)/generated from operating activities	(486,411)	(389,430)	78,294	(601,792)
Cash flows from investing activities				
Dividend received	-	-	98,296	22,936
Interest received	40,379	39,615	104,116	69,080
Purchase of property, plant and equipment	(24,292)	(33,196)	(4,120)	(7)
Purchase of investment properties	(123,407)	(69,137)	-	-
Redemption of cumulative redeemable preference shares by an associate	7,787	4,369	-	-
Refund of share application monies from associates	3,194	2,798	-	-
Dividend received from associates	5,039	1,655	-	-
Withdrawal/(placement) in				
- FSRA account	-	102,274	-	-
- deposits in licensed banks	(105,854)	(4)	-	-
Proceeds from disposal of marketable securities	-	66,955	-	-
Proceeds from disposal of				
- property, plant and equipment	1,883	30,442	-	-
- investment properties	-	720	-	-
Net cash (used in)/generated from investing activities	(195,271)	146,491	198,292	92,009

Statements of Cash Flows

for the financial year ended 31 December 2015

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Cash flows from financing activities				
Dividends paid	(22,580)	(48,794)	(22,580)	(48,794)
Interest paid	(108,171)	(80,424)	(108,681)	(70,175)
Proceeds from rights issue of shares	107,926	-	107,926	-
Proceeds from share options exercised	393	156	393	156
Proceeds from conversion of warrants	18	35	18	35
Purchase of treasury shares	(22,297)	(50,587)	(22,297)	(50,587)
Payments to hire purchase payables	(7)	(124)	-	-
Proceeds from term loans	192,482	-	-	-
Proceeds from Sukuk Murabahah	150,000	600,000	150,000	600,000
Proceeds from trust receipts and revolving credits	297,777	143,049	-	-
Repayment of term loans	(55,242)	(32,623)	-	-
Repayment of Islamic MTN	(100,000)	(200,000)	(100,000)	(200,000)
Repayment of Bonds	(300,000)	-	(300,000)	-
Repayment of trust receipts and revolving credits	(43,049)	(12,000)	-	-
Net cash generated from/(used in) financing activities	97,250	318,688	(295,221)	230,635
Net (decrease)/increase in cash and cash equivalents	(584,432)	75,749	(18,635)	(279,148)
Exchange differences	38,412	1,209	-	-
Cash and cash equivalents at beginning of the financial year	944,482	867,524	193,484	472,632
Cash and cash equivalents at end of the financial year	398,462	944,482	174,849	193,484

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	
		2015	2014	2015	2014
	Note	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	15	523,804	950,841	174,849	193,484
Cash and bank balances attributable to discontinued operations	16	29	-	-	-
Bank overdrafts	24	(18,587)	(5,429)	-	-
		505,246	945,412	174,849	193,484
Less: Deposits with maturity more than three months	15	(6,784)	(160)	-	-
Less: Deposits with a licensed bank (restricted)	15	(100,000)	(770)	-	-
Total cash and cash equivalents		398,462	944,482	174,849	193,484

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

Notes to the Financial Statements

31 December 2015

1. CORPORATION INFORMATION

The Company is a public limited liability 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 B-30-01, The Ascent, Paradigm, No.1, Jalan SS7/26A, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are that of investment holding and provision of management services to the subsidiaries and joint ventures. 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 18 April 2016.

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 ("FRS") and the requirements of the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted the new and revised FRSs which are mandatory for annual financial periods beginning on or after 1 January 2015 as described fully in Note 2.2.

The financial statements have been prepared on a historical cost basis except otherwise 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.2 Changes in accounting policies

On 1 January 2015, the Group and the Company adopted the following new and amended FRSs and IC Interpretations:

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

These new standards and amendments were applied for the first time in 2015. However, they did not have a material impact on these financial statements.

2.3 Standards issued but not yet effective

The standards that are issued but not yet effective up to the date of issuance of these 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
Annual Improvements to FRSs 2012-2014 Cycle	1 January 2016
Amendments to FRS 116 and FRS 138: *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to FRS 10 and FRS 128: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred
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
Amendments to FRS 101: *Disclosure Initiatives*	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128: *Investment Entities: Applying the Consolidation Exception*	1 January 2016
FRS 14: *Regulatory Deferral Accounts*	1 January 2016
FRS 9: *Financial Instruments*	1 January 2018
MFRS 15: *Revenue from Contracts with Customers*	1 January 2018

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

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

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

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. Retrospective application is required, but comparative information is not compulsory. The Group is currently assessing the impact of adopting FRS 9 and plans to adopt the new standard on the required effective date.

MFRS 15: *Revenue from Contracts with Customers*

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of adopting MFRS 15 and plans to adopt the new standard on the required effective date.

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.

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

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

Malaysian Financial Reporting Standards ("MFRS Framework") *cont'd*

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").

On 8 September 2015, the MASB announced that the effective date of MFRS 15 Revenue from Contracts with Customers will be deferred to annual periods beginning on or after 1 January 2018. As a result, the effective date for Transitioning Entities (TEs) to apply the Malaysian Financial Reporting Standards (MFRSs) will also be deferred to annual periods beginning on or after 1 January 2018.

The Group and the Company fall within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group and the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2018. In presenting its first MFRS financial statements, the Group and the Company 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 and the Company 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 2018.

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 (if applicable) have been made to reflect the consolidated financial statements under FRSs.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2015. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

2.4 Basis of consolidation *cont'd*

Specifically, 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 off 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.

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

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.

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

2.4 Basis of consolidation *cont'd*

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.

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

2.4 Basis of consolidation *cont'd*

Business combinations and goodwill *cont'd*

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.

2.5 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 RM, which is also the Company's functional currency. 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.

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

2.6 Foreign currencies *cont'd*

(a) Transactions and balances *cont'd*

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 OCI 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 OCI.

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 OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(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 and loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI 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 Cash dividend and non-cash distribution to equity holders of the parent

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per Companies Act, a distribution is authorised when it is approved by the shareholders.

A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

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

2.8 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 and 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 is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Freehold land has an unlimited useful life and is not depreciated. Building work-in-progress are also not depreciated as these assets are not available for use.

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

- Leasehold land: 99 years
- Buildings: 50 to 60 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

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

2.8 Property, plant and equipment *cont'd*

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 profit or loss 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.

2.9 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 off 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*

2.9 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.

2.10 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 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.

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

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

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 profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

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.

2.11 Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amounts and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the sale, excluding the finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of the classification.

Assets and liabilities classified as held for sale are presented separately as current items in the statements of financial position.

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

2.11 Non-current assets held for sale *cont'd*

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Non-current assets are not depreciated or amortised once classified as held for sale. Additional disclosures are provided in Note 16.

2.12 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.

2.13 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.

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

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

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 separately.

The statement of profit and 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 and 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 and 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.14 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.

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.

2.15 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.

2.16 Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

2.16 Financial instruments – initial recognition and subsequent measurement *cont'd*

(i) 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, available-for-sale ("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
- AFS financial assets

<u>Financial assets at fair value through profit or loss</u>

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 profit or loss.

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

2.16 Financial instruments – initial recognition and subsequent measurement *cont'd*

(i) ***Financial assets*** *cont'd*

Subsequent measurement *cont'd*

Financial assets at fair value through profit or loss *cont'd*

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.

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 profit or loss. The losses arising from impairment are recognised in 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.

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 profit or loss in finance costs. Interest earned whilst holding AFS financial assets is reported as interest income using the EIR method.

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

2.16 Financial instruments – initial recognition and subsequent measurement *cont'd*

(i) Financial assets *cont'd*

Subsequent measurement *cont'd*

AFS financial assets *cont'd*

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 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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.16 Financial instruments – initial recognition and subsequent measurement *cont'd*

(i) ***Financial assets*** *cont'd*

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.

<u>Financial assets carried at amortised cost</u>

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 profit or loss. Interest income (recorded as finance income in 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 profit or loss.

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

2.16 Financial instruments – initial recognition and subsequent measurement *cont'd*

(i) Financial assets *cont'd*

Impairment of financial assets *cont'd*

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 profit or loss – is removed from OCI and recognised in 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 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 profit or loss, the impairment loss is reversed through profit or loss.

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

2.16 Financial instruments – initial recognition and subsequent measurement *cont'd*

(ii) Financial liabilities

Initial recognition and measurement

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:

<u>Financial liabilities at fair value through profit or loss</u>

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 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 as at fair value through profit or loss.

<u>Loans and borrowings</u>

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.

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

2.16 Financial instruments – initial recognition and subsequent measurement *cont'd*

(ii) Financial liabilities *cont'd*

Subsequent measurement *cont'd*

Loans and borrowings *cont'd*

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 profit or loss.

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

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 expires. 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 profit or loss.

(iii) 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.17 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.

2.18 Construction contracts

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

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

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

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

When the total 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.

2.19 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.

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

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

(i) Land held for property development *cont'd*

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

(ii) Property development costs

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

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

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

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

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 current asset and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings within current liability.

2.20 Inventories

Inventories comprising properties held for sale and consumable stocks are valued 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.

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

2.20 Inventories *cont'd*

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.

2.21 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 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.

2.22 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 statements of profit and loss over the life of the Bonds.

2.25 Medium Term Notes ("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

Sukuk Murabahah Programme for the issuance of Sukuk ("Sukuk Murabahah") based on the Shariah principle of Murabahah involving Shariah-compliant commodities of up to RM1,500,000,000 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 financial 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. Short term non-accumulating compensated absences such as sick leave, maternity leave are recognised when the absences occur.

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

2.27 Employee benefits *cont'd*

(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.

(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.

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

2.28 Leases *cont'd*

(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 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.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of profit and loss on a straight-line basis over the lease term.

(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 recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured fair value of the consideration received or receivable, taking into account contractually defined terms payment and excluding taxes or duty. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude, and exposed to inventory and credit risks.

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

2.29 Revenue recognition *cont'd*

The specific recognition criteria described below must also be met before revenue is recognised.

(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 buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(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.

(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 a straight-line basis over the period of hire.

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

2.29 Revenue recognition *cont'd*

(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 Taxes

(a) Current income 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 and 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 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.

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

2.30 Taxes *cont'd*

(b) Deferred tax *cont'd*

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.

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.

(c) Goods and services tax ("GST")

Expenses and assets are recognised net of the amount of GST, except:

- when the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and

- when receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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 statements of profit and loss 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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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 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.

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

2.35 Fair value measurement *cont'd*

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.

External valuers are involved for valuation of significant assets, such as 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. 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 future periods.

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

3.1 Critical judgements made in applying accounting policies

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

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

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

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

(b) 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.

(c) Assets held for sale

On 1 December 2015, WCT Land Sdn. Bhd. ("WCTL") and Jubilant Courtyard Sdn. Bhd. ("JCSB"), a wholly-owned subsidiary of WCTL, which in turn is a wholly-owned subsidiary of the Company, had entered into a conditional subscription and shareholders agreement ("SSA") with Sunrise Berhad ("Sunrise").

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

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

(c) Assets held for sale cont'd

Pursuant to the SSA, Sunrise shall subscribe for 1,000,000 new ordinary shares of RM1.00 each in JCSB ("Shares") representing 50% of the enlarged issued and paid up share capital of JCSB for a total subscription consideration of RM214,880,743 and the subscription of Shares by Sunrise will result in a dilution of WCTL's equity interest in JCSB from 100% to 50%. The Directors considered the subsidiary to meet the criteria to be classified as held for sale at that date for the following reasons:

- the assets and liabilies of JCSB are available for immediate sale in its current condition; and
- the actions to complete the sale were initiated and expected to be completed within one year from the date.

(d) Determination of functional currency

The Group has developed certain criteria based on FRS 121 in determining the functional currency of its foreign operations including its branch operations. Such determination requires significant judgement when it is apparent that functional currency of the entity is not the currency of the primary economic environment in which the entity operates. The Group considers various other factors including whether the entity is an extension of the parent's operation and the currency in which the funding requirements of the entity are met. The Group has applied this criteria consistently.

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.

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

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

(b) *Percentage-of-completion*

The Group recognises property development and construction contracts revenue and expenses in the statement of profit and loss 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 statements of profit and loss. 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.

(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 specialists to determine the total expected cost of a particular project (including total cost to complete) as well as the total revenue from the project (including any probable variation orders).

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

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

(f) Allowance for slow-moving inventories

Inventories are stated at the lower of cost or net realisable 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 property, plant and equipment and investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit and loss. The Group engaged independent valuation specialists to assess fair value as at 31 December 2015 for investment properties and revalued land and buildings. For investment properties except for vacant lands, a valuation methodology based on a discounted cash flow ("DCF") was used, as there is a lack of comparable market data because of the nature of the properties. In addition, it measures land and buildings included in property, plant and equipment at revalued amounts with changes in fair value being recognised in OCI. Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

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.

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 2015								
Cost/valuation								
At 1 January 2015	27,958	15,513	88,114	189,302	44,742	38,009	20,468	424,106
Additions	-	-	834	12,903	2,849	6,503	3,063	26,152
Reclassificaton	-	-	4,580	-	-	-	(4,580)	-
Disposals	-	-	-	(3,708)	(1,931)	(5)	-	(5,644)
Written off	-	-	-	-	-	(56)	-	(56)
Revaluation surplus	11,988	-	39,376	-	-	-	-	51,364
Exchange differences	-	-	-	11,583	888	1,523	-	13,994
At 31 December 2015	39,946	15,513	132,904	210,080	46,548	45,974	18,951	509,916
Accumulated depreciation and impairment								
At 1 January 2015	-	104	7,478	128,047	24,266	28,555	-	188,450
Depreciation charge for the financial year	-	71	1,332	14,540	2,995	3,796	-	22,734
Disposals	-	-	-	(2,803)	(1,154)	(3)	-	(3,960)
Written off	-	-	-	-	-	(35)	-	(35)
Restatement of accumulated depreciation on revaluation	-	-	4,884	-	-	-	-	4,884
Exchange differences	-	-	-	7,729	508	1,247	-	9,484
At 31 December 2015	-	175	13,694	147,513	26,615	33,560	-	221,557
Net carrying amount								
At 31 December 2015	39,946	15,338	119,210	62,567	19,933	12,414	18,951	288,359

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

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*

Company	Renovations, office equipment, furniture and fittings, total RM'000
As at 31 December 2015	
Cost/valuation	
At 1 January 2015	7
Additions	4,120
At 31 December 2015	4,127
Accumulated depreciation and impairment	
At 1 January 2015	1
Depreciation charge for the financial year	619
At 31 December 2015	620
Net carrying amount	
At 31 December 2015	3,507
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

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

(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 2015 by the Directors based on the valuation performed by Henry Butcher Malaysia Sdn. Bhd. and PA International Property Consultants (KL) Sdn. Bhd., members of the Institution of Surveyors, Malaysia. Valuations were made using comparison method on the basis of open market value. This means that valuations performed by the valuers are based on active market prices, significantly adjusted for differences in the nature, location or condition of the specific property.

If the freehold land and buildings were measured using the cost model, the carrying amounts as at 31 December 2015 would have been as follows:

	Group	
	2015	**2014**
	RM'000	RM'000
Freehold land and buildings		
Cost	98,704	93,290
Accumulated depreciation	(8,850)	(7,533)
Net book value	89,854	85,757

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

	Freehold land		Buildings	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Group				
Valuation	39,946	27,958	132,904	88,114
Accumulated depreciation	-	-	(13,694)	(7,478)
	39,946	27,958	119,210	80,636

Significant unobservable valuation input:

	Range
Price per square feet	RM18 to RM437

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

(a) *cont'd*

Significant increases/(decreases) in estimated price per square metre in isolation would result in a significantly higher/(lower) fair value.

Reconciliation of fair value

	Group	
	2015	**2014**
	RM'000	**RM'000**
As at 1 January	108,594	131,129
Level 3 revaluation recognised	46,480	-
Additions during the year	834	68
Reclassification from building work in progress	4,580	-
Disposals during the year	-	(21,052)
Depreciation charge during the year	(1,332)	(1,454)
Exchange differences	-	(97)
As at 31 December	159,156	108,594

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

	Group	
	2015	**2014**
	RM'000	**RM'000**
Motor vehicles	1,305	1,536

(c) The freehold land and buildings with an aggregate carrying amount of RM113,837,000 (2014: RM75,911,000) are pledged to financial institutions for term loans obtained as disclosed in Note 23.

(d) Interest expense of RM1,860,000 (2014: Nil) were capitalised within building work in progress during the financial year as disclosed in Note 36.

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 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 2014/1 January 2015	578,316	258,697	154,540	991,553
Transferred to property development costs (Note 5(b))	(20,780)	-	(39,673)	(60,453)
Additions	273,284	981	64,781	339,046
Reclassfied as held for sale (Note 16)	(133,834)	-	(6,067)	(139,901)
Reclassification	-	(10,389)	10,389	-
At 31 December 2015	696,986	249,289	183,970	1,130,245

5. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS *cont'd*

(b) *Property development costs*

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Group				
At 31 December 2015				
Cumulative property development costs				
At 1 January 2015	158,320	158,958	791,591	1,108,869
Cost incurred during the financial year	1,175	742	367,068	368,985
Transferred from land held for property development (Note 5(a))	20,780	-	39,673	60,453
Reversal of completed projects	(5,117)	-	(60,191)	(65,308)
Unsold completed units transferred to inventories	(589)	(6,902)	(62,409)	(69,900)
Reclassification	(1,396)	(1,808)	3,204	-
At 31 December 2015	173,173	150,990	1,078,936	1,403,099
Cumulative costs recognised in statements of profit and loss				
At 1 January 2015	(29,922)	(74,149)	(581,625)	(685,696)
Recognised during the financial year (Note 34)	(12,208)	(6,197)	(208,361)	(226,766)
Reversal of completed projects	5,117	-	60,191	65,308
At 31 December 2015	(37,013)	(80,346)	(729,795)	(847,154)
Property development costs as at 31 December 2015	136,160	70,644	349,141	555,945

5. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS *cont'd*

(b) Property development costs

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Group				
At 31 December 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
Cumulative costs recognised in statements of profit and loss				
At 1 January 2014	(30,389)	(59,411)	(408,192)	(497,992)
Recognised during the financial year (Note 34)	(13,606)	(14,738)	(251,604)	(279,948)
Reversal of completed projects	14,073	-	78,171	92,244
At 31 December 2014	(29,922)	(74,149)	(581,625)	(685,696)
Property development costs as at 31 December 2014	128,398	84,809	209,966	423,173

The property development costs with a carrying amount of RM14,554,000 (2014: Nil) are pledged to a financial institution for a term loan obtained as disclosed in Note 23.

Interest costs of RM46,270,000 (2014: RM21,066,000) were capitalised within development costs during the financial year as disclosed in Note 36.

6. INVESTMENT PROPERTIES

	Group		
	Investment properties	Investment properties under construction	Total
	RM'000 (At fairvalue)	RM'000 (At cost)	RM'000
Fair value/cost			
At 1 January 2015	483,780	254,033	737,813
Additions	-	133,255	133,255
Gain from fair value adjustment (Note 35)	11,918	-	11,918
At 31 December 2015	495,698	387,288	882,986
At 1 January 2014	474,555	178,451	653,006
Additions	-	75,582	75,582
Disposal	(720)	-	(720)
Gain from fair value adjustment (Note 35)	9,945	-	9,945
At 31 December 2014	483,780	254,033	737,813

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 RM9,848,000 (2014: RM6,445,000) as disclosed in Note 36.

	Group	
	2015	2014
	RM'000	RM'000
Rental income derived from investment properties	35,616	34,219
Direct operating expenses (including repair and maintenance) of income generating properties	(8,575)	(8,203)
Profit arising from investment properties carried at fair value	27,041	26,016

6. INVESTMENT PROPERTIES *cont'd*

Investment properties with an aggregate carrying amount of RM48,200,000 (2014: RM39,900,000) are held under lease terms.

Investment properties are stated at their fair value as at 31 December 2015. Valuations were performed by Henry Butcher Malaysia Sdn. Bhd. and PA International Property Consultants (KL) Sdn. Bhd., professional independent valuers in accordance with International Valuation Standards using Investment Method and Comparison Method.

Investment properties with an aggregate carrying amount of RM834,787,000 (2014: RM438,276,000) are pledged as securities for borrowings as disclosed in Note 23.

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 disclosed in Note 46(f).

Reconciliation of fair value:

	Group Investment properties			
	Office properties RM'000	Retail properties RM'000	Vacant lands RM'000	Total RM'000
As at 1 January 2014	31,875	436,880	5,800	474,555
Remeasurement recognised in profit or loss (in other operating income)	45	7,000	2,900	9,945
Disposal	(720)	-	-	(720)
As at 31 December 2014	31,200	443,880	8,700	483,780
Remeasurement recognised in profit or loss (in other operating income)	6,700	3,618	1,600	11,918
As at 31 December 2015	37,900	447,498	10,300	495,698

6. INVESTMENT PROPERTIES *cont'd*

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

	Valuation technique	Significant unobservable inputs	Range (weighted average) 2015	2014
Office properties	Investment method	Yield	7.00% - 7.25%	7.00% - 7.25%
Retail properties	Investment method	Capitalisation rate	6.00% - 6.25%	6.25% - 6.50%
Vacant lands	Comparison method	Difference in location, time factor, size, and tenure	-25.0% - 5.0%	-25.0% - 5.0%

Significant changes to the unobservable inputs would result in significant changes in fair value.

Investment method

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.

Comparison method

Under the comparison method, a property's fair value is estimated based on comparable transactions. This approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold.

Highest and best use

For all investment property that is measured at fair value, the current use of the property is considered the highest and best use.

7. INVESTMENTS IN SUBSIDIARIES

	Company 2015 RM'000	Company 2014 RM'000
Unquoted shares, at cost	3,204,915	3,204,915
Arising from ESOS granted to subsidiaries' employees	10,661	8,512
	3,215,576	3,213,427

Details of the subsidiaries are as follows:

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest 2015 (%)	Proportion of ownership interest 2014 (%)
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 2015 (%)	Proportion of ownership interest 2014 (%)
Held by WCT Berhad *cont'd:*				
WCT Engineering Vietnam Company Limited[(1)]	Vietnam	Dormant	100	100
BSC-WCT Company Limited (Note 7(a))	Vietnam	Dormant	-	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 2015 (%)	2014 (%)
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

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 2015 (%)	2014 (%)
Held by WCT Land Sdn. Bhd. *cont'd:*				
WCT Assets Sdn. Bhd.	Malaysia	Dormant	100	100
WCT Realty Sdn. Bhd.	Malaysia	Dormant	100	100
Pioneer Acres Sdn. Bhd.	Malaysia	Property development	100	100
WCT Acres Sdn. Bhd.	Malaysia	Property development	100	100
Jubilant Courtyard Sdn. Bhd. (Note 7(c))	Malaysia	Property development	100	100
WCT Hartanah Jaya Sdn. Bhd.	Malaysia	Property investment and development	100	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.	Malaysia	Malls management	100	100
WCT Land and Development (Australia) Pty Ltd (Note 7(b))	Australia	Dormant	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 2015 (%)	Proportion of ownership interest 2014 (%)
Held by Labur Bina Sdn. Bhd.:				
Labur Bina Management Sdn. Bhd.	Malaysia	Maintenance and management services on developed property	100	100
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

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 2015 (%)	2014 (%)
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 acts 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 has ceased to proceed with the Proposed Project which has yet to commence as of to date. The liquidation process on BSC-WCT Co., Ltd was completed during the financial year in accordance with the current laws and regulations of the Ho Chi Minh City People's Committee.

The dissolution of this subsidiary has no material impact to these financial statements.

(b) Incorporation of a new subsidiary

On 19 March 2015, WCT Land Sdn. Bhd. ("WCTL"), a wholly-owned subsidiary of the Company, has incorporated a wholly-owned subsidiary company, WCT Land 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 was assumed pursuant to the incorporation.

(c) Subscription and shareholders agreement

On 1 December 2015, WCTL and Jubilant Courtyard Sdn. Bhd. ("JCSB"), a wholly-owned subsidiary of WCTL, which in turn is a wholly-owned subsidiary of the Company, had entered into a conditional subscription and shareholders agreement ("SSA") with Sunrise Berhad ("Sunrise") whereby WCTL and Sunrise will be cooperating and working together through JCSB as the special purpose incorporated joint venture company to develop the lands held by JCSB in the Mukim of Bandar Serendah, District of Ulu Selangor, Negeri Selangor.

Pursuant to the SSA, Sunrise shall subscribe for 1,000,000 new ordinary shares of RM1.00 each in JCSB ("Shares") representing 50% of the enlarged issued and paid up share capital of JCSB for a total subscription consideration of RM214,880,743 and the subscription of Shares by Sunrise will result in a dilution of WCTL's equity interest in JCSB from 100% to 50% ("Proposed Dilution"). Pursuant to the Proposed Dilution, WCTL and Sunrise will have equal proportion of interest i.e. 50% each in JCSB. Hence, JCSB will cease to be a subsidiary of WCTL and of the Company upon the completion of the SSA.

As at the date of this report, the SSA has yet to be completed, pending fulfillment of certain conditions precedent. Additional information on the Proposed Dilution is disclosed in Note 16.

7. **INVESTMENTS IN SUBSIDIARIES** *cont'd*

(d) Business combinations

There were no new business combinations during the financial year.

(e) 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 2015**	**Group 2014**
Intraxis Engineering Sdn. Bhd. ("IESB")	Malaysia	40%	40%
Cebarco-WCT W.L.L. ("Cebarco WCT Bahrain")	Kingdom of Bahrain	50%	50%

	Group 2015 RM'000	**Group 2014 RM'000**
Accumulated balances of material non-controlling interest:		
IESB	20,644	20,590
Cebarco WCT Bahrain	14,287	30,475
Other individually immaterial non-controlling interest	1,918	1,697
	36,849	52,762
Total other comprehensive income/(loss) allocated to material non-controlling interest:		
IESB	54	6,293
Cebarco WCT Bahrain	2,398	(6,394)
Cebarco-WCT (Abu Dhabi) W.L.L. - Branch of Cebarco WCT Bahrain ("Cebarco WCT AD")	-	384
Other individually immaterial non-controlling interest	221	424
	2,673	707

7. INVESTMENTS IN SUBSIDIARIES *cont'd*

(e) 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 2015:

	IESB RM'000	**Cebarco WCT Bahrain RM'000**	**Total RM'000**
Revenue	-	-	-
Cost of sales	-	(4,627)	(4,627)
Other income	181	-	181
Administrative expenses	-	-	-
Finance costs	-	(234)	(234)
Profit/(loss) before tax	181	(4,861)	(4,680)
Income tax	(46)	-	(46)
Profit/(loss) for the year	135	(4,861)	(4,726)
Other comprehensive income for the year, net of tax	-	9,657	9,657
Total comprehensive income	135	4,796	4,931
Attributable to:			
Non-controlling interest	54	2,398	2,452
Other individually immaterial non-controlling interest	-	-	221
	54	2,398	2,673

7. INVESTMENTS IN SUBSIDIARIES *cont'd*

(e) 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 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)
Finance costs	-	-	-	-
Profit/(loss) before tax	21,003	(8,805)	763	12,961
Income tax	(5,269)	-	-	(5,269)
Profit/(loss) for the year	15,734	(8,805)	763	7,692
Other comprehensive income 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*

(e) *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 2015:

	IESB RM'000	Cebarco WCT Bahrain RM'000	Total RM'000
Tax recoverable (current)	1,327	-	1,327
Trade and other receivables (current)	2,073	54,767	56,840
Inventories and cash and bank balances (current)	5,100	8,394	13,494
Trade and other payables (current)	(13,064)	(31,791)	(44,855)
Amount due from/(to) related parties (current)	56,174	(2,796)	53,378
Total equity	51,610	28,574	80,184
Attributable to:			
Non-controlling interest	20,644	14,287	34,931
Other individually immaterial non-controlling interest	-	-	1,918
Total non-controlling interest	20,644	14,287	36,849

7. INVESTMENTS IN SUBSIDIARIES *cont'd*

(e) *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*

(e) *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 RM'000	Cebarco WCT Bahrain RM'000	Cebarco WCT AD RM'000
Summarised cash flow information for year ended 31 December 2015:			
Operating	(13,174)	(4,962)	-
Investing	-	-	-
Financing	-	-	-
Net decrease in cash and cash equivalents	(13,174)	(4,962)	-
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)

8. INVESTMENTS IN ASSOCIATES

	Group	
	2015	2014
	RM'000	RM'000
Unquoted shares, at cost	60,196	67,983
Group's share of post acquisition profit and reserves	103,416	99,229
	163,612	167,212
Share application monies	-	3,194
Exchange difference	(13,953)	(38,045)
	149,659	132,361
Represented by:		
Group's share of net identifiable assets	149,659	132,361

In the prior financial year, certain associates of the Group, namely, Mapex Infrastructure Private Limited and Emas Expressway Private Limited, issued redeemable and non-convertible debentures with a carrying amount of RM340,398,000 to repay 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. As at the reporting date, the carrying amount of these investment in associates were RM58,787,000 (2014: RM58,634,000). The associates must maintain escrow accounts 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. The debentures were fully redeemed during the financial year. At the reporting date of the prior financial year, the carrying amount of the debentures was RM44,965,000.

8. INVESTMENTS IN ASSOCIATES *cont'd*

Details of the associates are as follows:

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest 2015 (%)	2014 (%)
Held by WCT Berhad:				
Khalid Abdulrahim Group WCT W.L.L.	Kingdom of 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 2015 (%)	Proportion of ownership interest 2014 (%)
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 the Kingdom of 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.

All associates require 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 2014 or 2015.

These associates have reported a combined contingent liabilities of RM15,110,000 (2014: RM7,920,000) 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 RM7,787,000 (2014: RM4,369,000).

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.

	Mapex RM'000	Emas RM'000	Other individually immaterial associates RM'000	Total RM'000
2015				
(i) Summarised statements of financial position				
Non-current assets	167,204	138,955	262,922	569,081
Current assets	129,301	59,913	40,702	229,916
Total assets	296,505	198,868	303,624	798,997
Non-current liabilities	11,724	887	-	12,611
Current liabilities	65,544	45,823	4,058	115,425
Total liabilities	77,268	46,710	4,058	128,036
Net assets	219,237	152,158	299,566	670,961
(ii) Summarised statements of profit and loss and other comprehensive income				
Revenue	7,783	7,570	53,418	68,771
Finance income	32,166	22,057	-	54,223
Profit for the year	24,167	9,647	54,958	88,771

8. INVESTMENTS IN ASSOCIATES *cont'd*

	Mapex RM'000	Emas RM'000	Other individually immaterial associates RM'000	Total RM'000
2015 *cont'd*				
(iii) Group's share of net assets, representing carrying amount of Group's interest in associates	65,771	45,647	27,261	138,679
Foreign exchange effect on investments in subsidiaries of associates	-	-	10,980	10,980
	65,771	45,647	38,241	149,659
(iv) Group's share of results of associates				
Profit for the year	7,250	2,894	16,823	26,967
Dividend received from subsidiaries of associates	-	-	(17,741)	(17,741)
	7,250	2,894	(918)	9,226
(v) Dividend received from associates	-	-	5,039	5,039
2014				
(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

8. INVESTMENTS IN ASSOCIATES *cont'd*

	Mapex RM'000	Emas RM'000	Other individually immaterial associates RM'000	Total RM'000
2014 *cont'd*				
(ii) Summarised statements of profit and 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

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 2015 (%)	2014 (%)
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 (“Sino-Gamuda-WCT”)	Qatar	Design and construction of the airfield facilities, tunnel and detention pond of the New Doha International Airport (“NDIA”) in the state of Qatar	49	49
Gamuda Berhad - WCT Engineering Berhad Joint Venture New Doha International Airport (NDIA) Project	Qatar	Design and construction of the airfield facilities, tunnel and detention pond, which forms part of the project comprising the design, construction and completion of the NDIA for Sino-Gamuda-WCT	49	49

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

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

Details of the incorporated/unincorporated joint operations are as follows: *cont'd*

Name of joint operations	Country of operations	Principal activities	Proportion of ownership interest 2015 (%)	2014 (%)
Held by WCT Berhad: *cont'd*				
AES - WCT Joint Venture	United Arab Emirates	Engineering and construction of infrastructure works	50	50
Arabtec Construction L.L.C. - WCT Engineering Joint Venture	United Arab Emirates	Construction work	50	50
AES - WCT Contracting L.L.C.	United Arab Emirates	Road, bridges and dam contracting	49	49
WCT Berhad - Al-Ali Joint Venture	Qatar	Execution of Lusail City Development Project, Construction Package CP07-C-1B, Commercial Boulevard Road D3, Road A4, Internal Roads, Utilities and Underground Car Parks 2, 3, 4 and 5	70	-

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

Formation of a new joint operation

On 8 March 2015, WCT Berhad ("WCTB"), a wholly-owned subsidiary of the Company, via a joint operation with Al-Ali Projects Co W.L.L. ("Al-Ali") has accepted 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 City Development Project in Doha, Qatar.

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

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

Formation of a new joint operation *cont'd*

The Joint Venture is an unincorporated joint venture between WCTB and Al-Ali, a company incorporated in Qatar. The rights and liabilities of WCTB and Al-Ali in the joint operation are in the ratio of 70:30.

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	
	2015	**2014**
	RM'000	**RM'000**
Assets and liabilities		
Current assets	96,585	20,672
Non-current assets	829,167	675,875
	925,752	696,547
Current liabilities	(622,477)	(473,887)
Non-current liabilities	(389,699)	(291,969)
	(1,012,176)	(765,856)
	(86,424)	(69,309)
Results		
Revenue	135,427	25
Expenses	(135,971)	(12,050)
Other income	-	77
Loss before tax	(544)	(11,948)
Taxation	-	-
Loss after tax	(544)	(11,948)

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

(b) Investments in joint ventures

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Unquoted shares, at cost	412,648	377,648	-	-
Group's share of post acquisition profits and reserves	93,882	14,900	-	-
Unrealised loss	7,503	2,600	-	-
Arising from ESOS granted to joint ventures' employees	351	236	351	236
	514,384	395,384	351	236
Represented by:				
Group's share of net identifiable assets	514,384	395,384	351	236

Details of the joint ventures are as follows:

Name of joint ventures	Country of incorporation	Principal activities	Proportion of ownership interest 2015 (%)	Proportion of ownership interest 2014 (%)
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")[(1)]	Malaysia	Property investment and development	70	70

(1) *During the financial year, the Group via WCTL increased its shareholdings in Jelas Puri by capitalising the amount due from Jelas Puri of RM35,000,000 (2014: RM70,000,000).*

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

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

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

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.

	Jelas Puri RM'000	Segi Astana RM'000	Total RM'000
2015			
(i) Summarised statements of financial position			
Non-current assets	1,183,457	606,743	1,790,200
Current assets	290,818	73,922	364,740
Total assets	1,474,275	680,665	2,154,940
Non-current liabilities	704,770	459,061	1,163,831
Current liabilities	143,157	113,118	256,275
Total liabilities	847,927	572,179	1,420,106
Net assets	626,348	108,486	734,834
(ii) Summarised statements of profit and loss and other comprehensive income			
Revenue	104,254	119,669	223,923
Profit for the year	99,939	12,893	112,832
(iii) Group's share of net assets, representing carrying amount of Group's interest in joint ventures	438,444	75,940	514,384
(iv) Group's share of results of joint ventures	69,957	9,025	78,982
(v) Share of capital commitment	53,345	-	53,345

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

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

	Jelas Puri RM'000	Segi Astana RM'000	Total RM'000
2014			
(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 and 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

10. TRADE RECEIVABLES

	Group	
	2015	2014
	RM'000	RM'000
Current		
Trade receivables	368,815	387,366
Accrued billings in respect of property development	108,236	182,259
Retention sum on contracts receivable within 1 year	85,371	114,722
Due from contract customers	378,894	213,443
	941,316	897,790
Less: Allowance for doubtful debts	(21,796)	(21,146)
	919,520	876,644
Non-current		
Trade receivables	36,361	148,085
Retention sum on contracts receivable after 1 year	364,714	247,794
Due from contract customers	297,648	258,049
	698,723	653,928
Total	1,618,243	1,530,572

Details of the Group's trade receivables subject to enforcement of the Award are disclosed in Note 50.

(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 (2014: 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.

10. TRADE RECEIVABLES *cont'd*

(a) Credit risk *cont'd*

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 50. Accordingly, after taking all pertinent considerations, the Directors believe that no further allowance is required in excess of the allowance for doubtful debts already made.

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

	Gross RM'000	Individual impairment RM'000	Net RM'000
Group			
2015			
Not past due	673,648	-	673,648
Past due 0-30 days	63,240	-	63,240
Past due 31-120 days	60,613	-	60,613
Past due more than 120 days	57,760	(21,796)	35,964
	855,261	(21,796)	833,465
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

10. TRADE RECEIVABLES *cont'd*

(a) Credit risk *cont'd*

Movements of the allowance accounts are as follows:

	Group	
	2015	**2014**
	RM'000	**RM'000**
At 1 January	21,146	22,137
Charge for the year	4,104	-
Written off	(3,454)	-
Reversal of impairment losses	-	(991)
At 31 December	21,796	21,146

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	
	2015	**2014**
	RM'000	**RM'000**
Aggregate costs incurred to date	9,218,823	17,026,303
Add: Attributable profits	238,892	908,377
Less: Foreseeable losses	(295)	(37)
	9,457,420	17,934,643
Less: Progress billings	(8,821,232)	(17,695,557)
	636,188	239,086
Represented by:		
Due from contract customers	676,542	471,492
Due to contract customers (Note 17)	(40,354)	(232,406)
	636,188	239,086
Contract revenue recognised during the financial year (Note 33)	1,153,196	1,151,959
Contract cost recognised during the financial year (Note 34)	(1,098,314)	(1,063,341)

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

	Group	
	2015	**2014**
	RM'000	**RM'000**
Wages and salaries	65,388	54,455
Staff costs	27,226	18,941
Hiring of machineries	44,136	27,184
Rent of premises	2,442	181
Depreciation of property, plant and equipment	14,682	14,945
Property, plant and equipment written off	-	35

11. OTHER RECEIVABLES

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Current				
Sundry receivables	25,823	17,937	278	139
Deposits	12,827	11,054	4	1
Payment for land acquisition and related costs (Note (i))	22,300	11,538	-	-
Advances to sub-contractors	143,299	118,014	-	-
Prepayments	1,286	1,816	403	1,009
Advances to non-controlling interest of subsidiaries (Note (ii))	24,158	16,745	-	-
	229,693	177,104	685	1,149
Less: Allowance for doubtful debts	(6,666)	(9,461)	-	-
	223,027	167,643	685	1,149
Non-current				
Deposits	5,676	6,154	1	-
Sundry receivables	19,168	17,119	-	-
Advances to sub-contractors	75,300	65,074	-	-
Prepayments	563	-	563	-
Performance security deposit (Note 50)	260,224	211,868	-	-
	360,931	300,215	564	-
	583,958	467,858	1,249	1,149

(i) On 19 October 2015, WCT Precious Development Sdn. Bhd., a wholly-owned subsidiary, entered into a supplemental sale and purchase agreement with KLIFD Sdn. Bhd. for the acquisition of a freehold land identified as a part of Lot 20014 held under Geran 75981 and a part of Lot 20022 held under Geran 76430, with a total land area measuring approximately 71,986 square feet in area, located in Section 67, Bandar Kuala Lumpur, for a total purchase consideration of RM223,000,000. A deposit of RM22,300,000 was paid.

Upon the fulfillment 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*

(i) *cont'd*

In the previous financial year, the Group entered into agreements to acquire lands for a total consideration of RM115,381,000 as follows:

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 meter, 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.

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

(ii) Advances to non-controlling interest of subsidiaries are unsecured, non-interest bearing and the repayment term is repayable on demand.

(a) Credit risk

Movements of the allowance accounts are as follows:

	Group	
	2015	2014
	RM'000	RM'000
At 1 January	9,461	4,788
Charge for the year	297	4,670
Written off	(3,217)	-
Reversal of impairment losses	-	(33)
Exchange differences	125	36
At 31 December	6,666	9,461

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.

11. OTHER RECEIVABLES *cont'd*

(a) Credit risk *cont'd*

The Group's outstanding advances to sub-contractors in excess of 1 year as at 31 December 2015 amounted to RM27,912,000 (2014: RM35,229,000). 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 enforcement of the Award are disclosed in Note 50.

12. DUE FROM/(TO) RELATED PARTIES

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Due from related parties:				
Current				
Subsidiaries				
- current accounts				
- interest bearing	-	-	1,698,223	1,859,761
- non-interest bearing	-	-	146,222	7,087
Associates				
- current accounts				
- non-interest bearing	167	1,213	-	-
Joint ventures				
- trade accounts				
- interest bearing	69,026	102,859	-	-
- non-interest bearing	12,178	34,890	-	-
- current accounts				
- interest bearing	67,791	75,331	-	-
- non-interest bearing	1,110	706	54	300
	150,272	214,999	1,844,499	1,867,148

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

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Due from related parties: *cont'd*				
Non-current				
Subsidiaries				
- current accounts				
- interest bearing	-	-	500,000	-
Joint ventures				
- trade accounts				
- non-interest bearing	12,119	9,919	-	-
	12,119	9,919	500,000	-
	162,391	224,918	2,344,499	1,867,148
Due to related parties:				
Current				
Subsidiaries				
- current accounts				
- interest bearing	-	-	(805,425)	(235,567)
- non-interest bearing	-	-	-	(1)
Associates				
- current accounts				
- non-interest bearing	(3,646)	-	-	-
	(3,646)	-	(805,425)	(235,568)

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

Balances with related parties are unsecured, bear interest ranging from 4.733% to 6.35% (2014: 4.61% to 6.35%) per annum, during the financial year with credit terms of 15 days (2014: 15 days) and are to be settled in cash.

13. DEFERRED TAXATION

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
At 1 January	13,955	21,817	(4,262)	(420)
Recognised in the profit or loss (Note 38)	10,386	(7,867)	3,826	(3,842)
Recognised in equity	8,877	-	-	-
Exchange differences	-	5	-	-
At 31 December	33,218	13,955	(436)	(4,262)
Presented after appropriate offsetting as follows:				
Deferred tax assets	(11,453)	(21,445)	(436)	(4,262)
Deferred tax liabilities	44,671	35,400	-	-
	33,218	13,955	(436)	(4,262)

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 2015	(4)	(6,903)	(8,373)	(15,280)
Recognised in the profit or loss	(61)	4,768	332	5,039
At 31 December 2015	(65)	(2,135)	(8,041)	(10,241)
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)

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	Asset revaluation RM'000	Accelerated capital allowances RM'000	Total RM'000
At 1 January 2015	(12,634)	9,749	32,120	29,235
Recognised in the profit or loss	6,224	865	(1,742)	5,347
Recognised in equity	-	8,877	-	8,877
At 31 December 2015	(6,410)	19,491	30,378	43,459
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

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 liabilities of the Company:

	Accelerated capital allowances RM'000
At 1 January 2015	-
Recognised in the profit or loss	3
At 31 December 2015	3

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 assets of the Company:

	Other payables RM'000
At 1 January 2015	(4,262)
Recognised in the profit or loss	3,823
At 31 December 2015	(439)
At 1 January 2014	(420)
Recognised in the profit or loss	(3,842)
At 31 December 2014	(4,262)

The amounts of unused tax losses of which no deferred tax assets are recognised in the statements of financial position are as follows:

	Group	
	2015 RM'000	2014 RM'000
Unused tax losses	7,554	6,362
Unused tax losses in foreign branches	9,340	-
	16,894	6,362

Deferred tax assets have not been recognised in respect of these items as they have arisen in companies that have a recent history of losses or in companies where future taxable profits may be insufficient to trigger the utilisation of these items.

Section 44(5A) and Paragraph 75A of Schedule 3 of the Malaysian Income Tax Act, 1967 which became effective in Year of Assessment ("YA") 2006 restricts the utilisation of unabsorbed business losses and capital allowances where there is a substantial change in the ordinary shareholder of a company. The test for determining whether there is a substantial change in shareholders is carried out by comparing the shareholders on the last day of the basis period in which the unabsorbed losses or capital allowances were ascertained with those on the first day of the basis period in which the unabsorbed losses or capital allowances are to be utilised.

13. DEFERRED TAXATION *cont'd*

Pursuant to guidelines issued by the Malaysian tax authorities in 2008, the Ministry of Finance ("MOF") has exempted all companies from the provision of Section 44(5A) and Paragraph 75A of Schedule 3 except dormant companies. Therefore, all active subsidiaries are allowed to carry forward their unabsorbed capital allowances and business losses.

14. INVENTORIES

	Group	
	2015	**2014**
	RM'000	**RM'000**
Consumable stocks, at cost	802	666
Properties held for sale, at cost	146,973	85,448
Properties held for sale, at net realisable value	6,083	4,596
	153,858	90,710
Costs of inventories recognised as an expense	(117,621)	(59,367)

Certain properties held for sale with an aggregate carrying amount of RM1,935,000 (2014: RM6,661,000) is in the process of being registered in the respective subsidiaries' names.

15. CASH AND BANK BALANCES

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Deposits:				
With licensed banks [(a) and (b)]	298,285	814,076	169,719	181,696
With a licensed bank (restricted) [(c)]	100,000	770	-	-
	398,285	814,846	169,719	181,696
Cash and bank balances	110,092	83,135	5,130	11,788
Cash held under Housing Development Accounts [(d)]	15,427	52,860	-	-
	125,519	135,995	5,130	11,788
Total cash and bank balances	523,804	950,841	174,849	193,484

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

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Less than 3 months	291,501	813,916	169,719	181,696
More than 3 months but less than 1 year	6,784	160	-	-
	298,285	814,076	169,719	181,696

(b) Deposits with licensed banks of the Group amounting to RM17,808,000 (2014: RM11,052,000) are pledged to banks to secure banking facilities.

(c) Deposits which are restricted for use in the current financial year were placed with a licensed bank pursuant to a letter of set-off for a revolving credit facility extended to a subsidiary. In the prior financial year, the deposit which was restricted for use pertains to a negotiable certificate of deposit which was placed with a licensed bank for bank guarantee facilities extended to a joint operation.

(d) 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.

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

16. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

On 1 December 2015, WCT Land Sdn. Bhd. ("WCTL") and Jubilant Courtyard Sdn. Bhd. ("JCSB"), a wholly-owned subsidiary, had entered into a conditional subscription and shareholders agreement ("SSA") with Sunrise Berhad ("Sunrise") whereby WCTL and Sunrise will be cooperating and working together through JCSB as the special purpose incorporated joint venture company to develop the lands held by JCSB in the Mukim of Bandar Serendah, District of Ulu Selangor, Negeri Selangor.

Pursuant to the SSA, Sunrise shall subscribe for 1,000,000 new ordinary shares of RM1.00 each in JCSB ("Shares") representing 50% of the enlarged issued and paid up share capital of JCSB for a total subscription consideration of RM214,880,743. The subscription of Shares by Sunrise will result in a dilution of WCTL's equity interest in JCSB from 100% to 50%. ("Proposed Dilution"). Pursuant to the Proposed Dilution, WCTL and Sunrise will have equal proportion of interest i.e. 50% each in JCSB. Hence, JCSB will cease to be a subsidiary of WCTL and the Company upon completion of the SSA.

As at the date of this report, the SSA has yet to be completed, pending fulfillment of certain conditions precedent.

In accordance with FRS 5: Non-current Assets Held for Sale and Discontinued Operations, the deemed disposal of 50% equity interest in JCSB is classified as assets and liabilities held for sale as at 31 December 2015.

The major classes of assets and liabilities held for sale as at 31 December 2015 are as follows:

	Group	
	2015	**2014**
	RM'000	**RM'000**
ASSETS		
Land held for property development (Note 5(a))	139,901	-
Cash and bank balances	29	-
Non-current assets classified as held for sale	139,930	-
LIABILITIES		
Other payables, representing total liabilities classified as held for sale	1	-

17. TRADE PAYABLES

	Group	
	2015	2014
	RM'000	RM'000
Current		
Trade payables	552,489	461,490
Progress billings in respect of property development	3,675	-
Retention sum on contracts payable within 1 year	160,953	141,586
Due to contract customers (Note 10(b))	40,354	232,406
	757,471	835,482
Non-current		
Trade payables	5,853	4,765
Retention sum on contracts payable after 1 year	126,230	84,614
	132,083	89,379
Total	889,554	924,861

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2014: 30 to 90 days).

Details of trade payables subject to enforcement of the Award are disclosed in Note 50.

18. OTHER PAYABLES

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Current				
Sundry payables	6,776	7,678	155	45
Accruals	60,037	50,597	20,702	21,042
Provision for foreseeable losses [a]	369	11,733	-	-
Advances received from customers on contracts	39,336	80,709	-	-
Advances from a non-controlling interest of subsidiaries				
- non-interest bearing	293	6,770	-	-
Advances from shareholders of joint ventures				
- non-interest bearing	44,188	35,264	-	-
Others	24,646	14,778	246	248
	175,645	207,529	21,103	21,335
Non-current				
Sundry payables	250,115	219,349	-	-
Advances received from customers on contracts	129,294	103,163	-	-
Others	9,682	5,858	-	-
	389,091	328,370	-	-
	564,736	535,899	21,103	21,335

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 enforcement of the Award are disclosed in Note 50.

18. OTHER PAYABLES *cont'd*

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

	Group	
	2015	**2014**
	RM'000	**RM'000**
At 1 January	11,733	22,250
Charge for the year	-	1,988
Utilised during the year	(11,364)	-
Write-off	-	(12,505)
At 31 December	369	11,733

In the previous financial 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	
		2015	**2014**	**2015**	**2014**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Current					
Secured:					
Hire purchase payables	20	-	7	-	-
Revolving credits	21	78,000	88,000	-	-
Term loans	23	21,600	21,600	-	-
		99,600	109,607	-	-
Unsecured:					
Revolving credits	21	300,000	43,049	-	-
Trust receipts	22	7,777	-	-	-
Term loans	23	94,446	33,642	-	-
Bank overdrafts	24	18,587	5,429	-	-
Islamic Medium Term Notes ("IMTN")	25	-	100,000	-	100,000
Serial Fixed Rate Bonds ("Bonds")	26	-	292,385	-	292,385
		420,810	474,505	-	392,385
		520,410	584,112	-	392,385

19. BORROWINGS *cont'd*

		Group		Company	
		2015	2014	2015	2014
	Note	RM'000	RM'000	RM'000	RM'000
Non-current					
Secured:					
Term loans	23	322,836	246,400	-	-
Unsecured:					
Medium Term Notes ("MTN")	27	1,000,000	1,000,000	1,000,000	1,000,000
Sukuk Murabahah	28	750,000	600,000	750,000	600,000
		1,750,000	1,600,000	1,750,000	1,600,000
		2,072,836	1,846,400	1,750,000	1,600,000
Total borrowings					
Hire purchase payables	20	-	7	-	-
Revolving credits	21	378,000	131,049	-	-
Trust receipts	22	7,777	-	-	-
Term loans	23	438,882	301,642	-	-
Bank overdrafts	24	18,587	5,429	-	-
Islamic Medium Term Notes ("IMTN")	25	-	100,000	-	100,000
Serial Fixed Rate Bonds ("Bonds")	26	-	292,385	-	292,385
Medium Term Notes ("MTN")	27	1,000,000	1,000,000	1,000,000	1,000,000
Sukuk Murabahah	28	750,000	600,000	750,000	600,000
		2,593,246	2,430,512	1,750,000	1,992,385

19. BORROWINGS *cont'd*

As at the reporting date, unutilised borrowings available for use are as follows:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Revolving credits	177,631	54,631	-	-
Term loan	401,964	576,896	-	-
Bank overdrafts	39,828	54,200	-	-
IMTN	-	200,000	-	200,000
Sukuk Murabahah	750,000	900,000	750,000	900,000
Other trade lines	694,808	708,702	-	-
	2,064,231	2,494,429	750,000	1,100,000

Other information on the borrowings are disclosed in Note 46.

20. HIRE PURCHASE PAYABLES

	Group	
	2015	2014
	RM'000	RM'000
Future minimum lease payments:		
Not later than 1 year	-	7

21. REVOLVING CREDITS

	Group	
	2015	2014
	RM'000	RM'000
Secured		
Revolving credits	78,000	88,000
Unsecured		
Revolving credits	300,000	43,049
	378,000	131,049

The secured revolving credits are secured on the same terms as Term loan I as mentioned in Note 23 and bear interest at 1% (2014: 1%) per annum over the bank's cost of funds.

The unsecured revolving credits bear interest at rates ranging from 4.64% to 7.00% (2014: 4.69% to 7.00%) 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. TRUST RECEIPTS

	Group	
	2015	2014
	RM'000	RM'000
Unsecured		
Trust receipts	7,777	-

The trust receipts from a financial institution in Qatar are used to finance projects of WCTB's branch in Qatar. These trust receipts bear finance costs at commercial rate of 4.6% (2014: Nil) per annum. These trust receipts have a maturity period of 6 months and will be due in May 2016.

23. TERM LOANS

	Group 2015 RM'000	Group 2014 RM'000
Secured		
Term loan I	246,400	268,000
Term loan II	98,036	-
	344,436	268,000
Unsecured		
Term loan III	94,446	33,642
Total term loans	438,882	301,642
The term loans are repayable as follows:		
Not later than 1 year	116,046	55,242
Later than 1 year and not later than 2 years	224,800	21,600
Later than 2 years and not later than 5 years	69,080	224,800
Later than 5 years	28,956	-
	438,882	301,642
Less: Amount due within 12 months	(116,046)	(55,242)
Amount due after 12 months	322,836	246,400

(i) 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% (2014: 4.98%) per annum.

23. TERM LOANS *cont'd*

(ii) Term loan II comprises facilities obtained by a subsidiary via a facility agreement dated 18 December 2014 ("the Facilities"). The Facilities available are as follows:

- Term Loan 1 ("TL1") is a Commodity Murabahah Term Financing-I ("CMTF-I 2") to part finance the construction of the Paradigm Mall @ Johor Bahru (Paradigm Mall@JB) and Car Park including the infrastructure.

- Term Loan 2 ("TL2") is a Commodity Murabahah Term Financing-I ("CMTF-I 1") to part finance the construction of the Serviced Apartment.

- Term Loan 3 ("TL3") is to part finance the construction of the Hotel.

The Facilities are secured by way of a first party legal charge over the freehold land and buildings owned by a subsidiary, debentures over investment properties, development property and hotel owned by the subsidiary as disclosed in Notes 4, 5 and 6. The Facilities are also secured by the legal assignment of rental receivable, insurances and designated accounts, and a corporate guarantee by the Company. The term loan are repayable over twenty-four quarterly payments commencing on the 9th quarter from the date of first drawdown i.e. 7 April 2017 for TL1. The margin of profit charge is 1.25% per annum and 1.20% above the bank's cost of funds during the construction stage and upon completion respectively.

TL2 and TL3 are not drawdown yet as at end of the financial year.

(iii) Term loan III was obtained from a financial institution in Qatar to finance a project of WCTB's branch in Qatar. This loan carries finance costs at commercial rate of 5.5% (2014: 5.5%). The loan has a maturity period of 6 months (2014: 6 months) and will be due in May 2016 (2014: April 2015).

24. BANK OVERDRAFTS

	Group	
	2015	**2014**
	RM'000	**RM'000**
Unsecured	18,587	5,429

The unsecured bank overdrafts of the subsidiaries are guaranteed by the Company and bear interest at 7.84% (2014: 7.71%) per annum.

25. ISLAMIC MEDIUM TERM NOTES ("IMTN")

	Group/Company	
	2015	2014
	RM'000	RM'000
Unsecured		
IMTN - repayable not later than 1 year	-	100,000

IMTN

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

The issuance of the IMTN Programme of up to RM300,000,000 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.

On 14 June 2012, WCTB drawn down RM200,000,000 of the IMTN under the IMTN Programme with the tenure of 2 years from issue date. The maturity date of the IMTN was 13 June 2014 and yield to maturity at issuance date was 4.05%.

On 27 June 2014, WCTB drawn down RM100,000,000 of the IMTN under the IMTN Programme with the tenure of 9 months from issue date. The maturity date of the IMTN was 27 March 2015 and yield to maturity at issuance date was 3.88%.

The IMTN shall have a limit of RM300,000,000 in nominal value and shall be made available to the Issuer based on the Islamic principles of Musyarakah.

The IMTN were fully repaid during the financial year.

26. SERIAL FIXED RATE BONDS ("BONDS")

	Group/Company	
	2015	2014
	RM'000	RM'000
Unsecured		
Bonds - repayable not later than 1 year	-	292,385

WCTB issued RM600,000,000 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 a 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.

The Bonds were fully repaid during the financial year.

27. MEDIUM TERM NOTES ("MTN")

	Group/Company 2015 RM'000	Group/Company 2014 RM'000
Unsecured		
The MTNs are repayable as follows:		
Later than 2 years and not later than 5 years	1,000,000	200,000
Later than 5 years	-	800,000
Amount due after 12 months	1,000,000	1,000,000

On 27 March 2013, WCTB ("Issuer") established a MTN Programme of up to RM1,000,000,000 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 RM1,000,000,000 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 Programme.

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 RM200,000,000 and RM300,000,000 of the MTN under the MTN Programme 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 RM500,000,000 of the MTN under the MTN Programme 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.

28. SUKUK MURABAHAH

	Group/Company	
	2015	2014
	RM'000	RM'000
Unsecured		
The Sukuk Murabahah are repayable as follows:		
Later than 2 years and not later than 5 years	150,000	-
Later than 5 years	600,000	600,000
Amount due after 12 months	750,000	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 RM1,500,000,000 in nominal value ("Sukuk Murabahah Programme").

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 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 was issued via book-building, private placement or bought deal basis.

Proceeds from the issuance of the Sukuk Murabahah are to 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.

28. SUKUK MURABAHAH *cont'd*

On 23 October 2014, the Company issued RM600,000,000 of Sukuk Murabahah 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.

On 30 December 2015, the Company issued an additional RM150,000,000 of Sukuk Murabahah under the Shariah principle of Murabahah with a tenure of 3 years at a profit of 5.00% per annum and payable semi-annually in arrears commencing 6 months after the issue date.

29. SHARE CAPITAL

		Group/Company			
		Number of ordinary shares of RM0.50 each		Amount	
		2015	2014	2015	2014
		'000	'000	RM'000	RM'000
Authorised:					
At 1 January/31 December		2,000,000	2,000,000	1,000,000	1,000,000
Issued and fully paid:					
At 1 January		1,092,552	1,092,462	546,276	546,231
Share options exercised under:					
- ESOS 2013/2023	(Note 29(c))	333	73	167	36
Conversion of Warrants:					
- 2013/2016	(Note 29(d))	1	14	1	7
- 2013/2017	(Note 29(e))	7	3	3	2
Rights issue		107,926	-	53,963	-
At 31 December		1,200,819	1,092,552	600,410	546,276

29. SHARE CAPITAL *cont'd*

(a) Issue of shares

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM546,276,182 to RM600,409,719 by way of:

(i) issuance of 333,000 new ordinary shares of RM0.50 each pursuant to the exercise of the ESOS 2013/2023 at the exercise price of RM1.18 per ordinary share;

(ii) issuance of 400 and 7,440 ordinary shares of RM0.50 each pursuant to the conversion of Warrants 2013/2016 and Warrants 2013/2017 at exercise prices of RM1.54 and RM2.25 respectively per ordinary share for cash; and

(iii) issuance of 107,926,234 new ordinary shares of RM0.50 each in the Company ("Rights Share(s)") on the basis of one (1) Rights Share for every 10 existing shares of the Company held on 7 July 2015 at an issue price of RM1.00 per Rights Share ("Rights Issue"). The Rights Issue was completed on 7 August 2015.

The new ordinary shares issued during the financial year ranked *pari passu* in all respects with the existing ordinary shares of the Company.

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.

(b) Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares.

During the financial year, the Company repurchased a total of 15,427,100 (2014: 25,775,800) of its issued ordinary shares from the open market at an average price of RM1.45 (2014: RM1.96) per share. The total consideration paid for the repurchase including transaction costs was RM22,297,151 (2014: 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.

During the financial year, 10,745,734 and 11,826,465 (2014: 10,809,930) treasury shares were distributed as share dividends to the shareholders on 16 June 2015 and 9 October 2015 respectively on the basis of one (1) Treasury Share for every one hundred (100) ordinary shares of RM0.50 each held at the entitlement date on 26 May 2015 and 15 September 2015 respectively, fractions of treasury shares was disregarded.

29. SHARE CAPITAL *cont'd*

(b) Treasury shares *cont'd*

As at 31 December 2015, the total shares held as treasury shares amounted to 7,820,771 (2014: 14,965,870) ordinary shares of RM0.50 each at a total cost of RM10,765,122 (2014: RM27,266,268).

None of the treasury shares held were resold or cancelled during the financial year.

(c) Employees' share option 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 19 July 2013 ("ESOS Option Period");

(ii) An employee of the Group shall be eligible to participate in the ESOS 2013/2023 if, as at the date of the ESOS 2013/2023 offer, such employee:

(aa) has attained the age of eighteen (18) years;

(bb) has been in the employment of any company(s) within the Group for a period of at least one (1) year of continuous service (which employment need not be with the same company within the Group throughout the duration) prior to and up to the offer date, including service during the probation period, and is confirmed in service.

(cc) in the case where a company is acquired by the Group during the duration of the ESOS 2013/2023 and becomes a subsidiary of the Company upon such acquisition, must have completed a continuous period of at least one (1) year of employment in the Group following the date such company becomes or is deemed to be a subsidiary of the Company.

Any non-executive director of the Company who is not involved in the day-to-day management of the Company and who, on the offer date, has served any company within the Group for at least one (1) year, including any period that he/she was an employee or director of any company within the Group, shall be eligible to participate in the ESOS 2013/2023.

The Options Committee may with its power under the ESOS By-Laws, nominate any employee or non-executive directors of the Group to be an Eligible Employee notwithstanding that the eligibility criteria as stated in (c) (ii) (bb), (cc) or the above is not met.

29. SHARE CAPITAL *cont'd*

(c) Employees' share option scheme 2013/2023 ("ESOS 2013/2023") *cont'd*

The salient terms of the ESOS 2013/2023 are as follows: *cont'd*

(ii) An employee of the Group shall be eligible to participate in the ESOS 2013/2023 if, as at the date of the ESOS 2013/2023 offer, such employee: *cont'd*

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.

29. SHARE CAPITAL *cont'd*

(c) Employees' share option 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
2015							
Grant date	*** Exercise price RM**						
30 August 2013	1.63	9,039	-	-	(235)	8,804	8,804
15 August 2014	1.55	10,055	-	-	(256)	9,799	9,799
18 September 2015	1.18	-	11,193	(333)	-	10,860	10,860
		19,094	11,193	(333)	(491)	29,463	29,463
WAEP (RM)		1.59	1.18	1.18	1.59	1.44	1.44
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

* *Adjustment to option price following completion of the issuance of Rights Issue of Shares and Warrants 2015/2020 in accordance with By-Laws.*

29. SHARE CAPITAL *cont'd*

(c) Employees' share option 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
2015		
Date granted		
30 August 2013	1.63	30.08.2013 - 18.07.2023
15 August 2014	1.55	15.08.2014 - 18.07.2023
18 September 2015	1.18	18.09.2015 - 18.07.2023
2014		
Date granted		
30 August 2013	2.15	30.08.2013 - 18.07.2023
15 August 2014	2.05	15.08.2014 - 18.07.2023

At 31 December 2015, there are 29,463,000 (2014: 19,094,000) options exercisable at the WAEP of RM1.44 (2014: RM2.10) each. The exercise and vesting period is from 30 August 2013 to 18 July 2023.

(ii) Share options exercised during the financial year

Options exercised during the financial year resulted in the issuance of 333,000 ordinary shares of RM0.50 each (2014: 73,000 ordinary shares of RM0.50 each) at a weighted average exercise price of RM1.18 (2014: RM2.14).

29. SHARE CAPITAL *cont'd*

(c) Employees' share option scheme 2013/2023 ("ESOS 2013/2023") *cont'd*

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

The fair value of share options granted during the financial year was estimated using a binomial model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions are as follows:

	18 September 2015	15 August 2014	30 August 2013
Fair value of share options at grant date (RM)	0.32	0.24	0.40
Weighted average share price (RM)	1.35	2.29	2.44
Weighted average exercise price (RM)	1.18	2.05	2.15
Expected volatility (%)	21.95%	21.95%	16.66%
Expected life (year)	10	10	10
Risk free rate (%)	3.88%	4.10%	3.42%
Expected dividend yield (%)	4.88%	2.90%	2.73%

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) 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:

	Number of warrants '000
At 1 January 2014	157,001
Converted to ordinary shares	(14)
At 31 December 2014/1 January 2015	156,987
Converted to ordinary shares	(1)
At 31 December 2015	156,986

29. SHARE CAPITAL *cont'd*

(d) Warrants 2013/2016

The salient terms of the warrants are as follows:

(i) The warrants was issued in registered form and constituted by a Deed Poll executed on 1 July 2013. 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) Further adjustment was made to the exercise price of the outstanding Warrants 2013/2016 from RM2.04 to RM1.54 as a result of the Rights Issue of Shares and the Bonus Issue of Warrants in accordance with the provisions of the Deed Poll dated 1 July 2013 constituting Warrants 2013/2016, to ensure that the status of the holders of Warrants 2013/2016 is not prejudiced as a result of the Rights Issue of Shares and the Bonus Issue of Warrants;

(v) 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;

(vi) The new ordinary shares to be issued pursuant to the exercise of this warrants will, upon allotment and issuance, 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;

(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

29. SHARE CAPITAL *cont'd*

(d) Warrants 2013/2016 *cont'd*

(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.

(e) 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:

	Number of warrants '000
At 1 January 2014	163,634
Converted to ordinary shares	(3)
At 31 December 2014/1 January 2015	163,631
Converted to ordinary shares	(7)
At 31 December 2015	163,624

The salient terms of the warrants are as follows:

(i) The warrants were issued in registered form and constituted by a Deed Poll executed on 1 July 2013. 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) Adjustment was made to the exercise price of the outstanding Warrants 2013/2017 from RM2.25 to RM1.71 as a result of the Rights Issue of Shares and the Bonus Issue of Warrants in accordance with the provisions of the Deed Poll to ensure that the status of the holders of Warrants 2013/2017 is not prejudiced as a result of the Rights Issue of Shares and the Bonus Issue of Warrants;

29. SHARE CAPITAL *cont'd*

(e) Warrants 2013/2017 *cont'd*

(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 issuance, 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) In the case of a members' voluntarily winding up, or a compromise or arrangement between the Company and its members or any class of them (whether or not in connection with a scheme for reconstruction or amalgamation), every warrant holder as evidenced in the Record of Depositors shall be treated as having the right to subscribe for new ordinary shares of the Company in accordance with the terms and conditions of the Deed Poll, at any time within 6 weeks after passing of such resolution for a members' voluntarily winding up of the Company, or within 6 weeks after the granting of the court order in respect of the compromise or arrangement; and

(vii) The warrant holders are not entitled to any voting rights or to participate in any distribution and/or offer of further securities in the Company until and unless such warrant holders exercise their warrants for new ordinary shares of the Company.

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.

(f) Warrants 2015/2020

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:

	Number of warrants '000
At 1 January 2015	-
Allotted during the year	236,621
At 31 December 2015	236,621

29. SHARE CAPITAL *cont'd*

(f) Warrants 2015/2020 *cont'd*

The salient terms of the warrants are as follows:

(i) The warrants were issued in registered form and constituted by a Deed Poll executed on 11 August 2015. 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 RM2.08 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 issuance, 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) 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

(vi) 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.

236,621,145 Warrants 2015/2020 were issued pursuant to the bonus issue of 1 Warrant 2015/2020 for every 5 existing ordinary shares held in the Company. The Warrants 2015/2020 were listed on the Bursa Securities on 4 September 2015.

30. SHARE PREMIUM

	Group/Company	
	2015	2014
	RM'000	RM'000
Non-distributable		
At 1 January	2,174,151	2,173,973
Arising from share options exercised	226	120
Arising from conversion of warrants	14	26
Transfer within reserve arising from ESOS exercised	106	28
Transfer within reserve arising from warrants exercised	-	4
Rights issue (Note 29)	53,963	-
At 31 December	2,228,460	2,174,151

31. RESERVES

		Group		Company	
		2015	2014	2015	2014
	Note	RM'000	RM'000	RM'000	RM'000
Non-distributable					
Revaluation reserve	(a)	61,273	23,670	-	-
Other reserve		77	140	-	-
Capital reserve	(b)	2,846	2,846	-	-
Equity compensation reserve	(c)	8,645	5,169	7,915	5,169
Exchange reserve	(d)	(37,485)	(99,337)	-	-
Warrants reserve	(e)	53,023	53,023	53,023	53,023
Internal reorganisation reserve	(f)	(1,554,791)	(1,554,791)	-	-
		(1,466,412)	(1,569,280)	60,938	58,192
Distributable					
General reserve	(g)	1,438	1,438	-	-
Retained profits	(h)	1,257,122	1,109,061	288,526	273,976
		1,258,560	1,110,499	288,526	273,976
		(207,852)	(458,781)	349,464	332,168

31. RESERVES *cont'd*

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 land 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 represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on grant of share options.

(d) Exchange reserve

The exchange reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(e) Warrants reserve

The proceeds from the issue of warrants, net of issue costs, were credited to warrants reserve account which is non-distributable. Warrants reserve will be transferred to the share premium accounts upon the exercise of warrants and the warrants reserve in relation to the unexercised warrants on the expiry date of the exercise period will be transferred to retained 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 appropriation is required to be transferred to a non-distributable reserve account until no less than 50% of the share capital; and

31. RESERVES *cont'd*

(g) General reserve *cont'd*

(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 2015 and 31 December 2014 under the single tier system.

32. NON-CONTROLLING INTEREST

	Group	
	2015	2014
	RM'000	RM'000
At 1 January	52,762	52,055
Share of losses for the financial year	(2,489)	(1,947)
Dividends paid	(18,586)	-
Exchange differences	5,162	2,654
At 31 December	36,849	52,762

33. REVENUE

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Contract revenue on engineering and construction works (Note 10(b))	1,153,196	1,151,959	-	-
Interest income	6,349	7,941	103,857	68,927
Dividend income	-	-	98,296	22,936
Management fees	9,103	761	5,262	3,950
Sale of development properties	305,409	359,849	-	-
Sale of goods	118,352	50,382	-	-
Sale of properties held for sale	15,369	31,560	-	-
Rental income	29,786	30,010	-	-
Car park income	5,830	4,209	-	-
Hotel income	24,526	25,551	-	-
	1,667,920	1,662,222	207,415	95,813

34. COST OF SALES

	Group	
	2015	2014
	RM'000	RM'000
Construction contract costs (Note 10(b))	1,098,314	1,063,341
Cost of development properties sold (Note 5(b))	226,766	279,948
Cost of goods sold	111,495	47,714
Cost of properties held for sale	6,126	11,653
Cost of maintenance of investment properties	5,682	5,089
Cost of services provided	15,643	8,143
Cost incurred on car park operation	2,893	3,114
Cost of sales - hotel	8,656	9,633
	1,475,575	1,428,635

35. OTHER OPERATING INCOME/(LOSS)

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Interest income	13,756	14,445	259	153
Interest income from joint ventures	9,198	14,436	-	-
Murabahah and Mudarabah profits	11,076	2,793	-	-
Net unrealised gain on foreign exchange	92,535	18,050	-	-
Rental income	6,229	2,535	467	-
Gain/(loss) on disposal of property, plant and equipment	199	(16,245)	-	-
Gain on disposal of properties held for sale	29	53	-	-
Net realised (loss)/gain on foreign exchange	(716)	10,842	-	-
Fair value gain on investment properties (Note 6)	11,918	9,945	-	-
Finance income from loan and receivables	224	1,011	-	-
Sale of scaffolding	-	97	-	-
Insurance claim	501	531	-	-
Reversal of allowance for impairment of trade and other receivables	-	1,024	-	-
Write back in value of properties held for sale	76	170	-	-
Dividend income from marketable securities	-	1,234	-	-
Others	1,740	25	86	-
	146,765	60,946	812	153

36. FINANCE COSTS

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Interest expense				
- term loans	15,979	13,649	-	-
- interest on Bonds	7,438	7,500	7,438	7,500
- bank overdrafts	315	44	-	-
- revolving credits	8,313	2,849	-	-
- hire purchase	-	4	-	-
- profit on IMTNs	904	5,813	904	5,813
- profit on MTNs	44,535	44,600	44,535	44,600
- profit on Sukuk Murabahah	30,583	5,861	30,583	5,861
- accretion of interest on Bonds	7,615	7,320	7,615	7,320
- interest to subsidiaries	-	-	25,221	6,401
- others	104	104	-	-
	115,786	87,744	116,296	77,495
- less: Amount capitalised under property, plant and equipment (Note 4)	(1,860)	-	-	-
- less: Amount capitalised under property development costs (Note 5 (b))	(46,270)	(21,066)	-	-
- less: Amount capitalised under investment properties(Note 6)	(9,848)	(6,445)	-	-
	57,808	60,233	116,296	77,495

37. PROFIT BEFORE TAXATION

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
(a) The following amounts have been included in arriving at profit before taxation:				
Auditors' remuneration				
- statutory	583	526	73	112
- (over)/under provision in prior years	(50)	85	(35)	(8)
- other services	90	170	90	170
Rent of premises and motor vehicles	1,672	1,147	503	-
Depreciation of property, plant and equipment	8,052	8,170	619	1
Bad debts written off	2,654	3,001	-	-
Allowance for doubtful debts				
- third parties	4,401	4,670	-	-
Property, plant and equipment written off	21	37	-	-
Write down in value of properties held for sale	185	327	-	-
Direct expenses (including repair and maintenance) attributable to income generating investment properties	8,575	8,203	-	-
Provision for foreseeable losses for contract work in progress	258	2,000	-	-
(b) Employee benefits expense				
Staff costs (excluding Directors' remuneration)				
- wages and salaries	40,607	34,377	881	720
- seconded	-	26	-	-
Social security costs	397	348	2	2
Employees' Provident Fund	4,889	4,216	141	124
Bonus and ex-gratia	2,592	2,704	83	249
ESOS expenses	3,467	1,805	588	398
Other staff related expenses	4,314	2,964	376	422
	56,266	46,440	2,071	1,915

37. PROFIT BEFORE TAXATION *cont'd*

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
(c) Directors' remuneration				
In respect of the Company's Directors:				
Executive				
Salaries and other emoluments	5,323	4,920	5,323	4,920
Fees	120	108	60	48
Bonus	1,320	1,685	1,320	1,685
Employees' Provident Fund	797	793	797	793
Perquisite ESOS/staff discount	-	50	-	-
Benefits-in-kind	154	144	146	136
	7,714	7,700	7,646	7,582
Non-executive				
Salaries and other emoluments	126	531	126	531
Fees	144	156	144	156
Bonus	-	60	-	60
Employees' Provident Fund	-	55	-	55
Perquisite ESOS/staff discount	-	17	-	-
Benefits-in-kind	31	32	31	32
	301	851	301	834
Total	8,015	8,551	7,947	8,416
Analysis of the Company's Directors' remuneration excluding benefits-in-kind:				
Executive Directors' remuneration	7,560	7,556	7,500	7,446
Non-executive Directors' remuneration	270	819	270	802
Total Directors' remuneration	7,830	8,375	7,770	8,248

37. PROFIT BEFORE TAXATION *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 2015				
RM50,001 - RM100,000	-	2	-	2
RM150,001 - RM200,000	-	1	-	1
RM550,001 - RM600,000	1	-	1	-
RM900,001 - RM950,000	1	-	1	-
RM950,001 - RM1,000,000	-	-	1	-
RM1,000,001 - RM1,050,000	1	-	-	-
RM1,850,001 - RM1,900,000	1	-	1	-
RM3,250,001 - RM3,300,000	-	-	1	-
RM3,300,001 - RM3,350,000	1	-	-	-
	5	3	5	3
31 December 2014				
RM50,001 - RM100,000	-	2	-	2
RM150,001 - RM200,000	-	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

38. TAXATION

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
Malaysian income tax	43,451	41,738	1,168	5,602
Under/(over) provision in prior years	1,108	(5,388)	(4,128)	(2,988)
	44,559	36,350	(2,960)	2,614
Deferred income tax (Note 13):				
Relating to origination and reversal of temporary differences	4,432	(7,588)	(41)	(4,111)
Relating to change in tax rate	(207)	(547)	2	164
Under provision in prior years	6,161	268	3,865	105
	10,386	(7,867)	3,826	(3,842)
Taxation reported in profit or loss	54,945	28,483	866	(1,228)
Deferred tax related to items recognised in OCI during the year:				
Gain on revaluation of land and buildings included in property, plant and equipment	8,877	-	-	-

Domestic current income tax is calculated at the Malaysian statutory tax rate of 25% (2014: 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 2015 has reflected these changes.

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

38. TAXATION *cont'd*

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company respectively are as follows:

	2015 RM'000	2014 RM'000
Group		
Profit before taxation	261,832	149,454
Taxation at Malaysian statutory tax rate of 25% (2014: 25%)	65,458	37,364
Effect of different tax rates in foreign branches	1,401	(4,692)
Effect of zero tax rates in foreign countries	3,868	7,364
Effect of share of results of associates	(2,307)	(2,099)
Effect of share of results of joint ventures	(19,746)	(1,747)
Effect of changes in tax rates on opening balance of deferred tax	(207)	(547)
Effect on different tax rate for fair value in investment properties	(2,384)	(1,989)
Income not subject to tax	(6,275)	(13,251)
Expenses not deductible for tax purposes	6,648	13,200
Utilisation of previously unrecognised tax losses	(329)	-
Deferred tax assets not recognised during the year	615	-
Deferred tax assets in foreign branches not recognised during the year	934	-
Under provision of deferred tax in prior years	6,161	268
Under/(over) provision of income tax in prior years	1,108	(5,388)
Tax expense for the financial year	54,945	28,483
Company		
Profit before taxation	76,794	4,849
Taxation at Malaysian statutory tax rate of 25% (2014: 25%)	19,199	1,212
Effect of changes in tax rates on opening balance of deferred tax	2	164
Income not subject to tax	(24,574)	(5,746)
Expenses not deductible for tax purposes	6,502	6,025
Under provision of deferred tax in prior years	3,865	105
Over provision of income tax in prior years	(4,128)	(2,988)
Tax expense/(credit) for the financial year	866	(1,228)

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.

39. EARNINGS PER SHARE

(i) Basic

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

	Group	
	2015 RM'000	2014 RM'000 (Restated)
Profit attributable to ordinary equity holders of the Company	209,376	122,918
Weighted average number of shares in issue	1,139,882	1,113,290
Basic earnings per share (sen)	18.37	11.04

(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	
	2015 RM'000	2014 RM'000 (Restated)
Profit attributable to ordinary equity holders of the Company	209,376	122,918
Weighted average number of shares in issue	1,139,882	1,113,290
Effect of dilution:		
Share options	2,432	4,864
Warrants	-	72,652
Adjusted weighted average number of shares in issue and issuable	1,142,314	1,190,806
Diluted earnings per share (sen)	18.33	10.32

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

There have been no other transactions involving ordinary shares between reporting date and the date of completion of these financial statements except for events as disclosed in Note 49.

40. DIVIDENDS

	Group/Company			
	Dividends in respect of year		Dividends recognised in year	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Recognised during the year:				
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
Interim dividend comprising:				
- Single tier dividend of 1.25 sen per ordinary share on 1,081,272,764 ordinary shares of RM0.50 each paid on 10 October 2014	-	13,516	-	13,516
- Share dividend by way of distribution of 10,809,930 treasury shares on 10 October 2014 on the basis of 1 treasury share for every 100 ordinary shares held in the Company	-	23,321	-	23,321
Final dividend comprising:				
- Single tier dividend of 1.00 sen per ordinary share on 1,074,962,994 ordinary shares of RM0.50 each paid on 16 June 2015	-	10,750	10,750	-
- Share dividend by way of distribution of 10,745,734 treasury shares on 16 June 2015 on the basis of 1 treasury share for every 100 ordinary shares held in the Company	-	20,628	20,628	-

40. DIVIDENDS *cont'd*

	Group/Company			
	Dividends in respect of year		Dividends recognised in year	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Recognised during the year: *cont'd*				
Interim dividend comprising:				
- Single tier dividend of 1.00 sen per ordinary share on 1,183,016,202 ordinary shares of RM0.50 each paid on 9 October 2015	11,830	-	11,830	-
- Share dividend by way of distribution of 11,826,465 treasury shares on 9 October 2015 on the basis of 1 treasury share for every 100 ordinary shares held in the Company	18,170	-	18,170	-
	30,000	68,215	61,378	72,115

At the forthcoming Annual General Meeting, a final single-tier cash dividend in respect of the financial year ended 31 December 2015 of 2.00 sen per ordinary share will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2016.

41. RELATED PARTY DISCLOSURES

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

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Contract revenue from joint ventures	38,279	46,408	-	-
Rent expense payable to a joint venture	(691)	(55)	(503)	-
Office utilities expense payable to a joint venture	(56)	-	(56)	-
Season parking expense payable to a joint venture	(34)	-	(34)	-
Management fee receivable from subsidiaries	-	-	4,902	3,650
Management fee receivable from joint ventures	9,103	761	360	300
Gross dividend receivable from subsidiaries	-	-	98,296	22,936
Interest receivable from subsidiaries	-	-	97,508	60,986
Interest receivable from joint ventures	9,198	14,436	-	-
Interest payable to subsidiaries	-	-	(25,221)	(6,401)
Rental income receivable from subsidiaries	-	-	467	-
Office utilities income receivable from subsidiaries	-	-	52	-
Season parking income receivable from subsidiaries	-	-	33	-
Sales of properties to Directors and persons connected with the Directors	19,571	31,706	-	-
Repayments from joint ventures	7,136	36,969	-	-
Advances to non-controlling interest of subsidiary	(7,413)	(16,745)	-	-

The above transactions were transacted at terms and conditions similar to those which were offered to/(by) unrelated parties. Balances with 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 37(c).

42. OPERATING LEASE ARRANGEMENTS

(a) The Group and Company as lessee

The Group and the Company 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 and the Company 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		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Future minimum rental payments:				
Not later than 1 year	4,355	1,312	2,765	-
Later than 1 year and not later than 5 years	5,700	332	5,028	-
	10,055	1,644	7,793	-

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 22 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	
	2015	2014
	RM'000	RM'000
Future minimum rental receivables:		
Not later than 1 year	35,593	31,134
Later than 1 year and not later than 5 years	31,396	55,580
Later than 5 years	2,535	2,689
	69,524	89,403

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

43. COMMITMENT

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Approved and contracted for:				
Property, plant and equipment	787	153	634	-
Land	200,700	103,843	-	-
Investment properties	274,674	355,439	-	-
Share of capital commitment of joint ventures	53,345	87,954	-	-
	529,506	547,389	634	-

44. CONTINGENT LIABILITIES

	Company	
	2015	2014
	RM'000	RM'000
(a) Corporate guarantees given to:		
- Financial institutions for credit facilities granted to subsidiaries and joint ventures	3,809,710	3,034,768
- Contract customers and consultants of subsidiaries to secure the performance of the subsidiaries' obligation for the works	114,268	-
	3,923,978	3,034,768

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.

44. CONTINGENT LIABILITIES *cont'd*

	Group	
	2015	2014
	RM'000	RM'000
(b) Performance, advance payment and tender guarantee granted to:		
- clients of subsidiaries	597,763	581,861
- clients of joint operations	194,456	164,463
	792,219	746,324

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.

	Group	
	2015	2014
	RM'000	RM'000
(c) Tax matters under appeal by		
- a subsidiary	4,245	3,589
(d) Share of contingent liabilities of associates	4,533	2,376

45. CONTINGENT ASSETS

	Group	
	2015	2014
	RM'000	RM'000
Contingent assets arising from the Final Award of the Arbitration Tribunal in DIAC Case No. 02/2009, dated 5 July 2015 as disclosed in Note 50	768,975	-

46. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks (both fair value and cash flow), foreign currency risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

(b) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

<u>Sensitivity analysis for interest rate risk</u>

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 RM502,400 (2014: RM136,478) lower/higher, arising mainly as a result of higher/lower interest expense on floating rate loans, borrowings and higher/lower interest income.

46. 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	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
		%	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2015									
Group									
Fixed rate									
Deposits	15	3.34	398,285	-	-	-	-	-	398,285
Term loans	23	5.12	(116,046)	(224,800)	-	-	-	-	(340,846)
MTN	27	4.46	-	-	(200,000)	-	(800,000)	-	(1,000,000)
Sukuk Murabahah	28	5.07	-	-	(150,000)	-	-	(600,000)	(750,000)
Floating rate									
Revolving credits	21	4.85	(378,000)	-	-	-	-	-	(378,000)
Trust receipts	22	4.60	(7,777)	-	-	-	-	-	(7,777)
Term loans	23	5.36	-	-	(18,840)	(25,120)	(25,120)	(28,956)	(98,036)
Bank overdrafts	24	7.84	(18,587)	-	-	-	-	-	(18,587)
Company									
Fixed rate									
Deposits	15	3.43	169,719	-	-	-	-	-	169,719
MTN	27	4.46	-	-	(200,000)	-	(800,000)	-	(1,000,000)
Sukuk Murabahah	28	5.07	-	-	(150,000)	-	-	(600,000)	(750,000)

46. FINANCIAL INSTRUMENTS *cont'd*

(b) Interest rate risk *cont'd*

	Note	WAEIR	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
		%	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2014									
Group									
Fixed rate									
Deposits	15	3.13	814,846	-	-	-	-	-	814,846
Hire purchase payables	20	5.75	(7)	-	-	-	-	-	(7)
Term loans	23	5.03	(55,242)	(21,600)	(21,600)	(203,200)	-	-	(301,642)
IMTN	25	3.99	(100,000)	-	-	-	-	-	(100,000)
Bonds	26	5.10	(292,385)	-	-	-	-	-	(292,385)
MTN	27	4.46	-	-	-	(200,000)	-	(800,000)	(1,000,000)
Sukuk Murabahah	28	5.09	-	-	-	-	-	(600,000)	(600,000)
Floating rate									
Revolving credits	21	5.24	(131,049)	-	-	-	-	-	(131,049)
Bank overdrafts	24	7.71	(5,429)	-	-	-	-	-	(5,429)

	Note	WAEIR	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
		%	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2014									
Company									
Fixed rate									
Deposits	15	3.22	181,696	-	-	-	-	-	181,696
IMTN	25	3.99	(100,000)	-	-	-	-	-	(100,000)
Bonds	26	5.10	(292,385)	-	-	-	-	-	(292,385)
MTN	27	4.46	-	-	-	(200,000)	-	(800,000)	(1,000,000)
Sukuk Murabahah	28	5.09	-	-	-	-	-	(600,000)	(600,000)

Interest on financial instruments at fixed rates are fixed until the maturity of the instrument. Other financial instruments that are not included in the above tables are not subject to material interest rate risk.

46. 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"), United Arab Emirates ("UAE") Dirhams ("AED"), Bahrain Dinars ("BHD"), Qatari Riyals ("QAR"), Omani Riyals ("OMR") 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	
	2015	**2014**
	RM'000	**RM'000**
	Profit net of tax	**Profit net of tax**
AED/RM - Strengthen 3%	12,164	10,660
- Weakened 3%	(12,164)	(10,660)
QAR/RM - Strengthen 3%	17,958	10,800
- Weakened 3%	(17,958)	(10,800)
BHD/RM - Strengthen 3%	(70)	(407)
- Weakened 3%	70	407
USD/RM - Strengthen 3%	683	560
- Weakened 3%	(683)	(560)

46. 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 RM'000	UAE Dirhams RM'000	Qatar Riyals RM'000	Omani Riyals RM'000	Vietnamese Dong RM'000	United States Dollars RM'000	Euro RM'000	Total RM'000
Group								
At 31 December 2015								
Cash, deposit and bank balances	4,132	4,165	62,002	238	1	1,694	1,124	73,356
Receivables	51,957	748,239	712,915	904	93	19,168	-	1,533,276
Payables	(31,800)	(403,107)	(321,640)	(28)	-	-	-	(756,575)
Borrowings	-	-	(102,223)	-	-	-	-	(102,223)
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)

(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.

46. 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 2015				
Trade and other payables	933,116	525,937	-	1,459,053
Due to related parties	3,646	-	-	3,646
Loans and borrowings				
- Principal	520,410	1,443,880	628,956	2,593,246
- Interest	124,856	306,382	65,881	497,119
	1,582,028	2,276,199	694,837	4,553,064
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
Company				
As at 31 December 2015				
Other payables	21,103	-	-	21,103
Due to related parties	805,425	-	-	805,425
Loans and borrowings				
- Principal	-	1,150,000	600,000	1,750,000
- Interest	82,460	274,567	65,819	422,846
	908,988	1,424,567	665,819	2,999,374

46. FINANCIAL INSTRUMENTS *cont'd*

(d) Liquidity risk *cont'd*

	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
Company *cont'd*				
As at 31 December 2014				
Other payables	21,335	-	-	21,335
Due to related parties	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

(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	
	2015 RM'000	2014 RM'000
Malaysia	540,356	761,043
Middle East	1,077,887	769,529
	1,618,243	1,530,572

46. 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 observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		RM'000	RM'000	RM'000	RM'000
Group					
2015					
Assets measured at fair value					
Investment properties	6	495,698	-	-	495,698
Property, plant and equipment					
- Freehold land and buildings	4	159,156	-	-	159,156
2014					
Assets measured at fair value					
Investment properties	6	483,780	-	-	483,780
Property, plant and equipment					
- Freehold land and buildings	4	108,594	-	-	108,594

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.

46. 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:

	Note	Group Carrying amount RM'000	Group Fair value RM'000	Company Carrying amount RM'000	Company Fair value RM'000
At 31 December 2015					
Financial asset					
Trade and other receivables under arbitration award	50	415,676	#	-	-
Financial liabilities					
Term loans	23	(340,846)	(319,020)	-	-
MTN	27	(1,000,000)	(993,973)	(1,000,000)	(993,973)
Sukuk Murabahah	28	(750,000)	(749,219)	(750,000)	(749,219)
Trade and other payables under arbitration award	50	(359,241)	#	-	-
		(2,450,087)	(2,062,212)	(1,750,000)	(1,743,192)

46. 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: *cont'd*

		Group		Company	
	Note	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
At 31 December 2014					
Financial asset					
Trade and other receivables under arbitration award	50	342,397	#	-	-
Financial liabilities					
Hire purchase payables	20	(7)	(7)	-	-
Term loans	23	(301,642)	(289,749)	-	-
IMTN	25	(100,000)	(100,000)	(100,000)	(100,000)
Bonds	26	(292,385)	(292,385)	(292,385)	(292,385)
MTN	27	(1,000,000)	(991,597)	(1,000,000)	(991,597)
Sukuk Murabahah	28	(600,000)	(599,326)	(600,000)	(599,326)
Trade and other payables under arbitration award	50	(312,160)	#	-	-
		(2,606,194)	(2,273,064)	(1,992,385)	(1,983,308)

\# *The fair value of the financial instruments could not be reliably measured due to the ongoing enforcement of the Award, which have been further disclosed in Note 50.*

46. 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 values of the financial assets and liabilities are 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 Murabahah, IMTNs and MTNs are based on price quotations at the reporting date. The fair values 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 values of the equity instruments are 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. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair values.

    The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values 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 non-performance risk as at 31 December 2015 was assessed to be insignificant.

46. FINANCIAL INSTRUMENTS *cont'd*

(g) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(i) Loans and receivables ("L&R")
(ii) Other liabilities ("OL")

	Note	Carrying amount RM'000	L&R RM'000	OL RM'000
At 31 December 2015				
Group				
Financial assets				
Trade receivables, excluding amounts due from contract customers and accrued billings	10	833,465	833,465	-
Other receivables, excluding payment for land acquisition and related costs, prepayment and advances to sub-contractors	11	341,210	341,210	-
Due from related parties	12	162,391	162,391	-
Cash and bank balances	15	523,804	523,804	-
		1,860,870	1,860,870	-
Financial liabilities				
Due to related parties	12	(3,646)	-	(3,646)
Trade payables, excluding amounts due to contract customers and progress billings	17	(845,525)	-	(845,525)
Other payables, excluding provision for foreseeable losses and advances received from customers on contracts	18	(395,737)	-	(395,737)
Borrowings	19	(2,593,246)	-	(2,593,246)
		(3,838,154)	-	(3,838,154)

46. 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*

	Note	Carrying amount RM'000	L&R RM'000	OL RM'000
At 31 December 2015				
Company				
Financial assets				
Other receivables, excluding prepayment	11	283	283	-
Due from related parties	12	2,344,499	2,344,499	-
Cash and bank balances	15	174,849	174,849	-
		2,519,631	2,519,631	-
Financial liabilities				
Due to related parties	12	(805,425)	-	(805,425)
Other payables	18	(21,103)	-	(21,103)
Borrowings	19	(1,750,000)	-	(1,750,000)
		(2,576,528)	-	(2,576,528)

46. 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*

	Note	Carrying amount RM'000	L&R RM'000	OL RM'000
At 31 December 2014				
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	15	950,841	950,841	-
		2,323,996	2,323,996	-
Financial liabilities				
Trade payables, excluding amounts due to contract customers and progress 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)

46. 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*

	Note	Carrying amount RM'000	L&R RM'000	OL RM'000
At 31 December 2014				
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	15	193,484	193,484	-
		2,060,772	2,060,772	-
Financial liabilities				
Due to related parties	12	(235,568)	-	(235,568)
Other payables	18	(21,335)	-	(21,335)
Borrowings	19	(1,992,385)	-	(1,992,385)
		(2,249,288)	-	(2,249,288)

47. 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 borrowing 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	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Loans and borrowings	2,593,246	2,430,512	1,750,000	1,992,385
Less: Cash and bank balances	(523,804)	(950,841)	(174,849)	(193,484)
Net debt	2,069,442	1,479,671	1,575,151	1,798,901
Equity attributable to the owners of the Company	2,610,253	2,234,380	3,167,569	3,025,329
Non-controlling interest	36,849	52,762	-	-
Total capital	2,647,102	2,287,142	3,167,569	3,025,329
Net gearing ratio	78%	65%	50%	59%

48. SIGNIFICANT EVENTS

During the financial year:

(a) Incorporation of a new subsidiary

Details of incorporation of a subsidiary are disclosed in Note 7(b).

(b) Subscription and shareholders agreement

Details of subscription and shareholders agreement are disclosed in Note 7(c).

(c) Formation of a new joint operation

Details of the formation of a new joint operation are disclosed in Note 9(a).

(d) Rights issue of shares and bonus issue of warrants

(i) On 7 August 2015, the Company announced the completion of the Rights Issue of Shares, following the listing of 107,926,234 Rights Shares on the Main Market of Bursa Malaysia Securities Berhad. Gross proceeds raised under the Rights Issue of Shares amounted to RM107,926,234.

(ii) On 4 September 2015, the Company announced the completion of the Bonus Issue of Warrants, following the listing of 236,621,145 Warrants 2015/2020 on the Main Market of Bursa Malaysia Securities Berhad.

The salient terms of the Warrants 2015/2020 are disclosed in Note 29(f).

(e) Adjustment of exercise prices of Warrant 2013/2016 and Warrant 2013/2017

(i) The adjustment to the exercise price of the outstanding Warrants 2013/2016 from RM2.04 to RM1.54 as a result of the Rights Issue of Shares and the Bonus Issue of Warrants was made in accordance with the provisions of the Deed Poll dated 1 July 2013 constituting Warrants 2013/2016, to ensure that the status of the holders of Warrants 2013/2016 is not prejudiced as a result of the Rights Issue of Shares and the Bonus Issue of Warrants.

(ii) The adjustment to the exercise price of the outstanding Warrants 2013/2017 from RM2.25 to RM1.71 as a result of the Rights Issue of Shares and the Bonus Issue of Warrants was made in accordance with the provisions of the Deed Poll dated 1 July 2013 constituting Warrants 2013/2017, to ensure that the status of the holders of Warrants 2013/2017 is not prejudiced as a result of the Rights Issue of Shares and the Bonus Issue of Warrants.

48. SIGNIFICANT EVENTS *cont'd*

(f) Adjustment to the exercise price of ESOS 2013/2023

The adjustment to the option price from RM2.15 to RM1.63 and RM2.05 to RM1.55 of unexercised ESOS 2013/2023 Options granted on 30 August 2013 and 15 August 2014 respectively, was made in accordance with the provisions of the by-laws governing the Company's ESOS Options to ensure that the status of the ESOS Option holders is not prejudiced as a result of the Rights Issue of Shares and the Bonus Issue of Warrants.

(g) New share options granted under ESOS 2013/2023

Details of new share options granted under the ESOS 2013/2023 are disclosed in Note 29(c).

49. SUBSEQUENT EVENTS

(a) Issuance of ordinary share capital

Between the reporting date and the date of completion of these financial statements, the issued and fully paid-up ordinary share capital of the Company was increased from RM600,409,719 to RM628,682,860 comprising 1,257,365,720 ordinary shares of RM0.50 each by way of:

(i) issuance of 1,283,700 new ordinary shares of RM0.50 each pursuant to the exercise of the ESOS 2013/2023 at the exercise prices of RM1.18 per ordinary share; and

(ii) issuance of 55,262,582 ordinary shares of RM0.50 each pursuant to the conversion of Warrants 2013/2016 at the exercise prices of RM1.54 per ordinary share for cash.

The new ordinary shares issued subsequent to reporting date ranked *pari passu* in all respects with the existing ordinary shares.

(b) Share buy back

The shareholders of the Company had approved an Ordinary Resolution at the Annual General Meeting held on 19 May 2015 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 889,300 ordinary shares of RM0.50 each of its issued share capital from the open market. The average price paid for the shares bought back was RM1.59 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.

(c) Expiry of Warrants 2013/2016

Between the reporting date and the date of completion of these financial statements, 55,262,582 Warrants 2013/2016 were converted to ordinary shares of RM0.50 each of the Company at exercise price of RM1.54 per ordinary share for cash. The remaining unexercised Warrants 2013/2016 of 101,723,417 have lapsed on 10 March 2016.

50. ARBITRATION AWARD

Pursuant to the cancellation of the contract (previously awarded to WCT Berhad (Dubai Branch) ("WCTB") 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 WCTB, 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 AED461,300,000 (Group's share: AED230,650,000 or approximately RM269,980,000*) and the Advance Payment Guarantee amounting to AED77,300,000 (Group's share: AED38,650,000 or approximately RM45,241,000*). 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.

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 AED1,400,000,000 (or approximately RM1,638,728,000*). 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 AED3,500,000,000 (or approximately RM4,096,820,000*) plus interest.

On 26 February 2013, the Dubai Court of First Instance dismissed Meydan's 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.

On 27 February 2013, the WCTB was informed by Arabtec that its board of directors has agreed to Meydan's proposal for Arabtec and Meydan 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 Meydan has since withdrawn their respective claims and counterclaims as against themselves, from the DIAC Case 2/2009. The arbitration proceedings then continued as between the WCTB and Meydan in respect of the WCTB's rights in its share of the Joint Venture's claims namely approximately AED1,400,000,000 (or approximately RM1,638,728,000*).

On 24 March 2013, Meydan 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 against the WCTB. 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 WCTB and Meydan and suspended Meydan's Civil Suit until the Final Award to be issued in DIAC Case No. 02/2009. Both Meydan and the WCTB filed an appeal to the Court of Cassation. The Court of Cassation had on 27 December 2015 referred the Civil Suit back to the Court of Appeal for the Court of Appeal to review the same.

50. ARBITRATION AWARD *cont'd*

On 8 July 2015, the WCTB received the Final Award of the Arbitration Tribunal in DIAC Case No. 02/2009, dated 5 July 2015 ("the Award"), where the Tribunal has found and ruled in favor of the WCTB, amongst others, that:-

1. Meydan's cancellation and purported termination of the Contract was unlawful, invalid and of no effect; and

2. Meydan was not entitled to call on the Joint Venture's Performance Bond and must repay the same.

Consequently, the Tribunal awarded to and in favor of the WCTB, and ordered Meydan to pay the WCTB a total of AED1,152,651,000 (approximately RM1,349,201,000*). The WCTB has filed an application for an order to recognise the Award with the Dubai International Financial Centre ("DIFC") Court. Although the DIFC Court has issued an order recognising the Award ("the Order"), Meydan has filed an application in the DIFC Court to set aside the Order.

In addition to the application filed in the DIFC Court to set aside the Order, Meydan has also:

1. Filed an application in the local Dubai Civil Court to annul the Award; and

2. Filed an application in the Union Supreme Court to challenge the jurisdiction of the DIFC Court to issue the Order ("Meydan's Union Supreme Court Application").

As at the date of this report, both the DIFC Court and the Dubai Civil Court have stayed Meydan's applications, pending the outcome of Meydan's Union Supreme Court Application.

Although the eventual ultimate outcome of the legal proceedings by the WCTB and Meydan is unknown as of the date of this report, management believes, based on continuing legal opinion received, that the prospects of successfully enforcing the Award are good.

50. ARBITRATION AWARD *cont'd*

The Group's share of assets and liabilities of the Joint Venture are as follows:

	2015 RM'000 *	2014 RM'000 #
Statement of financial position		
Non-current assets		
Property, plant and equipment	1	1
Trade receivables		
Contract receivables (1)	21,939	17,862
Amounts due from customer for contract work (1)	297,648	258,049
Retention sum receivable (1)	52,784	43,172
Other receivables		
Advances paid to suppliers and sub-contractors (1)	75,300	65,074
Performance security deposits (Note 11)	260,224	211,868
Others	34,321	27,943
	742,217	623,969
Current assets		
Other receivables		
Sundry receivables	2	2
Advances paid to suppliers and sub-contractors	5,426	4,418
	5,428	4,420
Total assets	747,645	628,389
Non-current liabilities		
Trade payables (2)	5,853	4,765
Retention sum payable (2)	3,174	2,781
Other payables (2)	250,115	219,349
Performance security payable to related party	265,251	215,961
Advances received from customer (2)	75,300	65,074
Amounts due to related parties	190,301	154,921
	789,994	662,851

50. ARBITRATION AWARD *cont'd*

The Group's share of assets and liabilities of the Joint Venture are as follows: *cont'd*

	2015 RM'000 *	2014 RM'000 #
Statement of financial position *cont'd*		
Current liabilities		
Trade payables	469	382
Other payables	10,133	8,250
Retention payable - current portion	5,293	4,310
Advance received from customer	8,904	7,249
	24,799	20,191
Total liabilities	814,793	683,042
Exchange reserve	15,400	2,924
Net liabilities	(67,148)	(54,653)
Deficit	(51,748)	(51,729)

(1) *Include receivables of RM335,000,000 (2014: RM292,000,000) in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecourse project.*

(2) *Include payables of RM335,000,000 (2014: RM292,000,000) 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 abovementioned legal proceedings.

* *Based on exchanges rate as at 31 December 2015*

\# *Based on exchanges rate as at 31 December 2014*

51. 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; the construction of roads, utilities, underground carparks and a light rail transit station in a new township in Qatar; the construction of a shopping mall in Kingdom of Bahrain; the construction and design of highway and airport in Doha, Dubai, Oman; and the construction of the 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.

51. 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 2015						
Revenue						
Revenue from external customers	1,278,257	328,553	61,110	-	-	1,667,920
Inter-segment revenue	838,605	7,868	-	-	(846,473)	-
Total revenue	2,116,862	336,421	61,110	-	(846,473)	1,667,920
Result						
Profit from operations	129,922	68,974	32,536	-	-	231,432
Finance costs	-	-	-	-	-	(57,808)
Share of profit of associates	-	-	-	9,226	-	9,226
Share of profit of joint ventures	-	2,246	76,736	-	-	78,982
Taxation	-	-	-	-	-	(54,945)
Segment profit						206,887
Assets and liabilities						
Segment assets	2,704,989	2,200,079	1,041,981	803	-	5,947,852
Interest in						
- associates	-	-	-	149,659	-	149,659
- joint ventures	-	-	514,384	-	-	514,384
Non-current assets classified as held for sale	-	-	-	-	-	139,930
						6,751,825
Segment liabilities	3,390,726	267,033	446,921	43	-	4,104,723

51. 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 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

51. SEGMENT INFORMATION *cont'd*

Geographical segments

The following table provides an analysis of the Group's revenue and assets, analysed by geographical segments:

	Total revenue from external customers		Segment assets	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Malaysia	1,152,161	1,188,063	4,963,731	4,835,272
Middle East	515,759	474,159	1,615,840	1,238,610
India	-	-	151,054	134,372
Others	-	-	21,200	18,760
Consolidated	1,667,920	1,662,222	6,751,825	6,227,014

The Group has no significant concentration of credit risk that may arise from exposures to a single receivable or to groups of receivables other than those disclosed in Note 12 and Note 50. The Group's normal trade credit terms for trade receivables are 30 to 90 days (2014: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

52. COMPARATIVES

	Statements of cash flows		
	As previously stated	Reclassifications	As restated
	RM'000	RM'000	RM'000
Group			
Cash flows from operating activities			
Interest paid	(80,424)	80,424	-
Interest received	39,615	(39,615)	-
Net cash used in operating activities	(430,239)	40,809	(389,430)
Cash flows from investing activities			
Interest received	-	39,615	39,615
Net cash generated from investing activities	106,876	39,615	146,491
Cash flows from financing activities			
Interest paid	-	(80,424)	(80,424)
Net cash generated from financing activities	399,112	(80,424)	318,688
Company			
Cash flows from operating activities			
Interest paid	(70,175)	70,175	-
Interest received	69,080	(69,080)	-
Net cash used in operating activities	(602,887)	1,095	(601,792)
Cash flows from investing activities			
Interest received	-	69,080	69,080
Net cash generated from investing activities	22,929	69,080	92,009
Cash flows from financing activities			
Interest paid	-	(70,175)	(70,175)
Net cash generated from financing activities	300,810	(70,175)	230,635

52. COMPARATIVES *cont'd*

The Group has reassessed the classification of its interest paid and interest received in accordance with FRS 107: Statement of Cash Flows and resulting therefrom, interest paid and interest received have been reclassified from operating activities to financing and investing activities, respectively.

The Group regards the amount of cash flows arising from operating activities as a key indicator of the cash flow generated by the operations of the Group to repay loans, pay dividends and make new investments without recourse to external source of financing. On this premise, interest paid and interest received should be regarded as financing and investing cash flows, respectively.

The change in presentation has no impact on the statements of financial position, statements of profit and loss, statements of other comprehensive income and statements of changes in equity presented in these financial statements.

53. 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	
	2015	**2014**
	RM'000	**RM'000**
Total retained profits of the Company and its subsidiaries:-		
- Realised	1,021,950	1,019,761
- Unrealised	223,498	142,273
	1,245,448	1,162,034
Total share of retained profits/(accumulated losses) from associates:-		
- Realised	103,792	99,566
- Unrealised	(376)	(337)
	103,416	99,229
Total share of (accumulated losses)/retained profits from jointly controlled entities:-		
- Realised	(36,053)	(47,851)
- Unrealised	203,089	131,184
	167,036	83,333
Less: Consolidation adjustments	(258,778)	(235,535)
Total Group retained profits as per consolidated accounts	1,257,122	1,109,061

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 2015 RM
1.	Paradigm Mall, 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 2111/4	Owner operated	1	Valuation: December 2015	729,000,000
2.	Six (6) parcels of land: (1) Geran 49642, Lot 38302; (2) H.S.(D) 119636, PT 15208; (3) H.S.(D) 119637, PT 15209; (4) H.S.(D) 119638, PT 15210; (5) H.S.(D) 119639, PT 15211; and (6) H.S.(D) 119640, PT 15212; Mukim of Petaling, Daerah Kuala Lumpur, Wilayah Persekutuan KL.	Future mixed development	57.428 acres	Freehold	Vacant	-	Acquisition: SSA date - 14 March 2012	668,264,763
3.	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 2034/3	Owner operated	1	Completion: 20 September 2013	600,011,325
4.	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/9	Leased to AEON	1	Valuation: December 2015	441,894,324

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 2015 RM
5.	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	417,046,230
6.	The Ascent, Paradigm, No.1, Jalan SS7/26A, Kelana Jaya, 47301 Petaling Jaya, Selangor.	Corporate office tower	504,084 sf (Retail net lettable area)	Leasehold interest 99 years expiring on 9 February 2111/1	Owner operated	1	Valuation: December 2015	355,000,000
7.	Formerly held under Title No. H.S.(D) 280412, PT No. 5167, Geran 107088, Lot 72658, 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	308,821,836
8.	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; and (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; and 30 December 2014	200,282,226

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 2015 RM
9.	Three (3) parcels of land: (1) Formerly held under Title No. H.S.(D) 151038, PT 144256, Geran 323213, Lot 171400; (2) Formerly held under Title No. H.S.(D) 151039, PT 144257, Geran 323214, Lot 171401; and (3) 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	167,368,233
10.	Two (2) parcels of land: H.S.(D) 478950, PTD 170704; and H.S.(D) 478951, PTD 170705, Mukim Pulai, Daerah Johor Bahru, Negeri Johor.	An on-going mixed development	10.95 acres	Leasehold interest 99 years expiring on 1 January 2111	Property Development Project	-	Acquisition: SPA date - 21 June 2010	93,211,707
		Unsold unit of residential condominiums	720 sf to 1,019 sf Total = 6,824 sf	Leasehold/1	Vacant	8	-	2,942,335
		Unsold unit of Garden Villa	1,440 sf to 2,256 sf Total = 18,019 sf	Leasehold/1	Vacant	10	-	11,404,987
		Unsold unit of retail office	812 sf to 3,506 sf Total = 22,122 sf	Leasehold/1	Vacant	16	-	12,742,318
		Unsold unit of commercial office	10,170 sf to 20,328 sf Total = 82,794 sf	Leasehold/1	Vacant	6	-	38,151,199
								158,452,546

Analysis of Shareholdings

As at 31 March 2016

Authorised Share Capital as at 31 March 2016	:	RM1,000,000,000-00 divided into 2,000,000,000 Ordinary Shares of RM0.50 each
Total Issued Ordinary Shares	:	1,256,909,020 Ordinary Shares of RM0.50 each
Total Issued & Paid-up Share Capital	:	RM628,454,510.00

(A) ORDINARY SHARES AS AT 31 MARCH 2016

Total Issued Ordinary Shares	:	1,256,909,020 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	2,530	20.74	119,486	0.01
100 - 1,000	1,682	13.79	627,307	0.05
1,001 - 10,000	5,050	41.40	20,000,338	1.59
10,001 and 100,000	2,485	20.37	67,811,101	5.40
100,001 to less than 5% of issued shares	445	3.65	652,527,069	51.91
5% and above of issued shares	6	0.05	515,823,719	41.04
Total	**12,198**	**100.00**	**1,256,909,020**	**100.00**

(2) Thirty Largest Shareholders

No.	Names	No. of Shares	%*
1	Lembaga Tabung Haji	117,881,399	9.44
2	Citigroup Nominees (Tempatan) Sdn Bhd *(Employees Provident Fund Board)*	85,496,550	6.85
3	Amsec Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account-AmBank (M) Berhad for WCT Capital Sdn Bhd)*	82,047,468	6.57
4	AmanahRaya Trustees Berhad *(Amanah Saham Bumiputera)*	81,116,826	6.50
5	WCT Capital Sdn Bhd	80,329,903	6.44
6	Kumpulan Wang Persaraan (DiPerbadankan)	68,951,573	5.52
7	RHB Capital Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for WCT Capital Sdn Bhd)*	53,000,000	4.25

(2) Thirty Largest Shareholders *cont'd*

No.	Names	No. of Shares	%*
8	AmanahRaya Trustees Berhad *(Amanah Saham Wawasan 2020)*	41,048,530	3.29
9	Cimsec Nominees (Tempatan) Sdn Bhd *(CIMB for WCT Capital Sdn Bhd (PB))*	30,300,000	2.43
10	Citigroup Nominees (Tempatan) Sdn Bhd *(Exempt An AIA Bhd)*	28,215,665	2.26
11	Citigroup Nominees (Asing) Sdn Bhd *(Exempt An for Citibank New York (Norges Bank 12))*	23,231,721	1.86
12	AmanahRaya Trustees Berhad *(Amanah Saham Malaysia)*	16,108,662	1.29
13	AmanahRaya Trustees Berhad *(Public Islamic Select Treasures Fund)*	15,062,852	1.21
14	Citigroup Nominees (Asing) Sdn Bhd *(CBNY for Dimensional Emerging Markets Value Fund)*	14,472,966	1.16
15	AmanahRaya Trustees Berhad *(Amanah Saham Nasional)*	13,397,840	1.07
16	Citigroup Nominees (Asing) Sdn Bhd *(Exempt An for Citibank New York (Norges Bank 14))*	12,624,600	1.01
17	AmanahRaya Trustees Berhad *(Public Islamic Sector Select Fund)*	12,206,201	0.98
18	AmanahRaya Trustees Berhad *(Amanah Saham Didik)*	10,303,010	0.83
19	HSBC Nominees (Asing) Sdn Bhd *(Exempt An for JPMorgan Chase Bank, National Association (U.S.A.))*	10,071,865	0.81
20	Tokio Marine Life Insurance Malaysia Bhd *(As Beneficial Owner (PF))*	9,843,500	0.79
21	Goh Chin Liong	8,826,186	0.71
22	AmanahRaya Trustees Berhad *(Amanah Saham Nasional 2)*	8,355,600	0.67
23	Citigroup Nominees (Asing) Sdn Bhd *(CBNY for DFA Emerging Markets Small Cap Series)*	7,484,669	0.60
24	Cartaban Nominees (Tempatan) Sdn Bhd *(Exempt An for Eastspring Investments Berhad)*	7,265,244	0.58
25	HSBC Nominees (Asing) Sdn Bhd *(BBH And Co Boston for Vanguard Emerging Markets Stock Index Fund)*	7,153,000	0.57

Analysis of Shareholdings
As at 31 March 2016

(2) Thirty Largest Shareholders *cont'd*

No.	Names	No. of Shares	%*
26	Ara Holdings Sdn Bhd	7,022,064	0.56
27	AmanahRaya Trustees Berhad *(Public Islamic Equity Fund)*	6,905,045	0.55
28	Citigroup Nominees (Asing) Sdn Bhd *(CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group INC)*	6,717,035	0.54
29	AmanahRaya Trustees Berhad *(Amanah Saham Gemilang for Amanah Saham Kesihatan)*	6,621,900	0.53
30	Maybank Nominees (Tempatan) Sdn Bhd *(Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100))*	6,373,908	0.51
		878,435,782	**70.38**

Note:
* *Based on 1,248,198,949 shares (Total issued and paid-up share capital of 1,256,909,020 less treasury shares of 8,710,071)*

(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	4,163,683	0.33	248,718,472^	19.93
Wong Sewe Wing	446,578	0.04	248,718,472^	19.93
WCT Capital Sdn Bhd	248,718,472	19.93	-	-
Employees Provident Fund Board	88,171,980	7.06	-	-
Kumpulan Wang Persaraan (Diperbadankan)	78,994,588	6.33	-	-
Lembaga Tabung Haji	121,505,321	9.73	-	-
AmanahRaya Trustees Berhad *(Skim Amanah Saham Bumiputera)*	81,116,826	6.50	-	-

Notes:
* *Based on 1,248,198,949 shares (Total issued and paid-up share capital of 1,256,909,020 less treasury shares of 8,710,071)*
^ *Deemed interested by virtue of his interest in WCT Capital Sdn Bhd.*

(B) WARRANTS 2013/2017 ("WARRANTS D") AS AT 31 MARCH 2016

Outstanding Warrants	:	163,623,712 Warrants
Issue Price	:	Not Applicable (Issued pursuant to the Securities Exchange)
Exercise Price	:	RM1.71 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	2,840	38.31	52,335	0.03
100 - 1,000	2,561	34.54	1,094,958	0.67
1,001 - 10,000	1,271	17.14	4,747,300	2.90
10,001 and 100,000	544	7.34	20,907,520	12.78
100,001 to less than 5% of outstanding Warrants	196	2.64	81,460,706	49.79
5% and above of outstanding Warrants	2	0.03	55,360,893	33.83
Total	**7,414**	**100.00**	**163,623,712**	**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)*	9,351,400	5.72
3	Cimsec Nominees (Tempatan) Sdn Bhd *(CIMB Bank for Tan Seng Kow (MY0085))*	2,746,900	1.68
4	Lim Kim Zhuan	2,206,100	1.35
5	Mercsec Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Tiong Nam Logistics Holdings Berhad)*	2,000,000	1.22
6	Tiong Nam Logistics Holdings Berhad	2,000,000	1.22
7	Malaysia Nominees (Tempatan) Sendirian Berhad *(Great Eastern Life Assurance (Malaysia) Berhad (Par 1))*	1,947,180	1.19

Analysis of Shareholdings
As at 31 March 2016

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

No.	Names	No. of Warrants	%
8	Goh Chin Liong	1,898,607	1.16
9	Chin Yan Phin @ Chin Pik Phin	1,787,100	1.09
10	Tan Boon Hwa	1,660,000	1.01
11	Chan Ah Hock	1,650,000	1.01
12	Chan Huater	1,650,000	1.01
13	Wong Nyook Yin	1,598,300	0.98
14	Loong Ding Tong	1,521,900	0.93
15	Choe Kai Keong	1,516,800	0.93
16	Chan Huasheng	1,420,000	0.87
17	Chin Nyuk Chin	1,304,100	0.80
18	Amsec Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account-AmBank (M) Berhad for WCT Capital Sdn Bhd)*	1,300,000	0.79
19	Lee Boon Koon	1,270,000	0.78
20	Cimsec Nominees (Tempatan) Sdn Bhd *(CIMB Bank for Mak Ngia Ngia @ Mak Yoke Lum (MM0749))*	1,266,300	0.77
21	Lim Thin Peng	1,258,000	0.77
22.	Wang Sai Cheong, Luke	1,117,800	0.68
23	AmanahRaya Trustees Berhad *(Public Islamic Equity Fund)*	1,059,600	0.65
24	Maybank Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Hiew Chee Lip)*	1,050,000	0.64
25	Lim King Huak	1,022,000	0.63
26	Chan Hing	1,000,000	0.61
27	Maybank Nominees (Tempatan) Sdn Bhd *(Tan Boon Hwa)*	1,000,000	0.61
28	UOB Kay Hian Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Ding Pei Chai)*	1,000,000	0.61
29	Mercsec Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for TNTT Realty Sdn Bhd)*	950,100	0.58
30	Wong Swee Ling	920,000	0.56
		96,481,680	**58.97**

(C) WARRANTS 2015/2020 ("WARRANTS E") AS AT 31 MARCH 2016

Outstanding Warrants	:	236,621,145 Warrants
Issue Price	:	Not Applicable (Bonus Issue)
Exercise Price	:	RM2.08 per Ordinary Share
Exercise Ratio	:	One (1) Warrant is exercisable into one (1) new Ordinary Share
Expiry Date	:	27 August 2020
Voting Rights	:	One (1) vote for each Warrant held

(1) Analysis by size of Warrants E Holdings

Size of Warrants	No. of Warrants Holders	%	No. of Outstanding Warrants	%
Less than 100	3,221	30.14	64,913	0.03
100 - 1,000	3,398	31.79	1,518,260	0.64
1,001 - 10,000	2,989	27.96	8,992,881	3.80
10,001 and 100,000	795	7.44	30,039,175	12.69
100,001 to less than 5% of outstanding Warrants	283	2.65	155,733,170	65.82
5% and above of outstanding Warrants	2	0.02	40,272,746	17.02
Total	**10,688**	**100.00**	**236,621,145**	**100.00**

(2) Thirty Largest Warrants E Holders

No.	Names	No. of Warrants	%
1	WCT Capital Sdn Bhd	24,025,723	10.15
2	Amsec Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account-AmBank (M) Berhad for WCT Capital Sdn Bhd)*	16,247,023	6.87
3	Siao Choon Ping	6,619,200	2.80
4	Cimsec Nominees (Tempatan) Sdn Bhd *(CIMB for WCT Capital Sdn Bhd (PB))*	6,000,000	2.54
5	Maybank Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Lim Gim Leong)*	5,647,046	2.39
6	Cimsec Nominees (Tempatan) Sdn Bhd *(CIMB Bank for Tan Seng Kow (MY0085))*	4,685,900	1.98
7	Citigroup Nominees (Tempatan) Sdn Bhd *(Exempt An for AIA Bhd)*	3,455,309	1.46

Analysis of Shareholdings

As at 31 March 2016

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

No.	Names	No. of Warrants	%
8	Maybank Securities Nominees (Asing) Sdn Bhd *(Maybank Kim Eng Securities Pte Ltd for Lim Chuan Seng)*	3,400,000	1.44
9	Beh Chan Chen	3,342,860	1.41
10	Lee Siu Wah	3,007,400	1.27
11	AmanahRaya Trustees Berhad *(Public Islamic Select Treasures Fund)*	2,982,743	1.26
12	Cimsec Nominees (Tempatan) Sdn Bhd *(CIMB Bank for Liew Mun Fatt (MY2301))*	2,500,000	1.06
13	Lee Mee Yoke	2,290,000	0.97
14	Maybank Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Beh Chan Pin)*	2,250,000	0.95
15	Wong Lee Peng	2,108,800	0.89
16	Chue Sew Cheong	2,000,000	0.84
17	Cimsec Nominees (Tempatan) Sdn Bhd *(CIMB Bank for Gan Wan Koon (MY1597))*	2,000,000	0.84
18	Lim Kiang Huit	1,955,900	0.83
19	HSBC Nominees (Asing) Sdn Bhd *(Exempt An for Credit Suisse (HK BR-TST-Asing)*	1,934,362	0.82
20	Lee Mee Kuen	1,760,000	0.74
21	Ang Bon Huan	1,710,000	0.72
22	Ara Holdings Sdn Bhd	1,707,339	0.72
23	HSBC Nominees (Asing) Sdn Bhd *(Exempt An for JPMorgan Chase Bank, National Association (U.S.A.))*	1,660,859	0.70
24	Goh Chin Liong	1,529,938	0.65
25	Beh Chan Soon	1,500,000	0.63
26	Maybank Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Tan Moi Peng)*	1,500,000	0.63
27	Wong Wai Lee	1,500,000	0.63
28	AmanahRaya Trustees Berhad *(Public Islamic Equity Fund)*	1,367,335	0.58
29	HSBC Nominees (Tempatan) Sdn Bhd *(HSBC (M) Trustee Bhd for AMB Value Trust Fund (4249))*	1,320,000	0.56
30	RHB Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Wong Tow Fock)*	1,314,300	0.56
		113,322,037	**47.89**

(D) STATEMENT OF DIRECTORS' INTERESTS IN THE SECURITIES OF THE COMPANY AS AT 31 MARCH 2016

(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	950,396	0.08	24,365[2]	*negligible*
Taing Kim Hwa	4,163,683	0.33	248,718,472[1]	19.93
Goh Chin Liong	8,826,186	0.71	-	-
Choe Kai Keong	3,566,312	0.29	-	-
Liang Kai Chong	4,149,613	0.33	265,223[2]	0.02
Choo Tak Woh	39,491	*negligible*	241,693[2]	0.02
Wong Yik Kae	60,591	*negligible*	40,000[2]	*negligible*

(2) Directors' Interests in Warrants 2013/2017

(In accordance with the Register maintained under Section 134 of the Companies Act, 1965)

	Direct Interest		Deemed Interest	
Name	**No. of Warrants**	**%**	**No. of Warrants**	**%**
Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid	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	50,801	0.03	-	-

Analysis of Shareholdings
As at 31 March 2016

(3) Directors' Interests in Warrants 2015/2020
(In accordance with the Register maintained under Section 134 of the Companies Act, 1965)

	Direct Interest		Deemed Interest	
Name	No. of Warrants	%	No. of Warrants	%
Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid	210,395	0.09	4,824[2]	*negligible*
Taing Kim Hwa	536,966	0.23	46,874,944[1]	19.81
Goh Chin Liong	1,529,938	0.65	-	-
Choe Kai Keong	706,200	0.30	-	-
Liang Kai Chong	818,904	0.35	52,519[2]	0.02
Wong Yik Kae	30,810	0.01	-	-
Choo Tak Woh	7,820	*negligible*	47,860[2]	0.02

Notes:
* *Based on 1,248,198,949 shares (Total issued and paid-up share capital of 1,256,909,020 less treasury shares of 8,710,071)*
[1] *Deemed interested by virtue of his interest in WCT Capital Sdn Bhd, which in turn is a substantial shareholder of the Company.*
[2] *Deemed interested through his spouse's or children'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	150,000
Taing Kim Hwa	2,400,000
Goh Chin Liong	1,350,000
Choe Kai Keong	750,000
Liang Kai Chong	750,000
Wong Yik Kae	395,000
Choo Tak Woh	90,000
Andrew Lim Cheong Seng	69,000

Notice of Fifth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fifth Annual General Meeting ("5th 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 Friday, 27 May 2016 at 10.30 a.m. for the following purposes:

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2015 together with the Reports of the Directors and Auditors thereon.

2. To declare and approve the payment of a final single tier cash dividend of 2.0 sen per ordinary share of RM0.50 each in respect of the financial year ended 31 December 2015. ***Resolution 1***

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. Choe Kai Keong ***Resolution 2***
   (b) Mr. Liang Kai Chong ***Resolution 3***
   (c) Mr. Andrew Lim Cheong Seng ***Resolution 4***

4. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. ***Resolution 5***

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 RM204,000.00 for the financial year ended 31 December 2015 be and is hereby approved for payment." ***Resolution 6***

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 7***
   (b) Mr. Choo Tak Woh" ***Resolution 8***

7. **Proposed Authority to Allot and Issue Shares pursuant to Section 132D of the Companies Act, 1965**

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors of the Company be and are hereby authorised with full powers to allot and issue new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total issued share capital of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." ***Resolution 9***

8. **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 2015 amounted to RM288,525,272.00 and RM2,228,460,376.00 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***

Notice of Fifth Annual General Meeting

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 5th AGM, the Company shall obtain a General Meeting Record of Depositors as at 23 May 2016 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 proxy to attend and/or vote on their behalf at the 5th AGM of the Company.

NOTICE OF DIVIDEND PAYMENT AND ENTITLEMENT DATE

NOTICE IS ALSO HEREBY GIVEN that a final single tier cash dividend of 2.0 sen per ordinary share of RM0.50 each for the financial year ended 31 December 2015, if approved at the Fifth Annual General Meeting of the Company, will be payable on 13 June 2016.

The entitlement date shall be fixed on 3 June 2016 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 3 June 2016 in respect of ordinary transfers; and

(b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

LOH CHEE MUN
CHONG KIAN FAH
Company Secretaries

Selangor Darul Ehsan
29 April 2016

NOTICE TO HOLDERS OF WARRANTS 2013/2017 ("WARRANTS D") AND WARRANTS 2015/2020 ("WARRANTS E")

Subject to the approval being obtained from the Company's Shareholders at the Fifth Annual General Meeting, holders of Warrants D and Warrants E 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 Monday, 23 May 2016 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 B-30-01, The Ascent, Paradigm, No. 1, Jalan SS7/26A, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time fixed for holding the meeting or any adjourned meeting thereof.*

B. Audited Financial Statements for financial year ended 31 December 2015

The audited financial statements are for discussion only under Agenda 1, as they do not require shareholders' approval under the provisions of Section 169(1) and (3) of the Companies Act, 1965. Hence, this Agenda 1 is not put forward for voting.

C. EXPLANATORY NOTES ON SPECIAL BUSINESS

Resolution 6

The proposed Ordinary Resolution 6, if passed, will authorised the payment of Directors' Fees for the financial year ended 31 December 2015 pursuant to the Company's Articles of Association.

Resolution 7 and 8

The proposed Ordinary Resolutions 7 and 8, 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 5th 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 2015. 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 Securities 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 9

The proposed Ordinary Resolution 9, if passed, will empower the Directors to issue shares in the Company up to an amount not exceeding 10% of the total issued share capital of the Company for the time being, for any possible fund raising activities, including but not limited to placement of shares, for the purposes of funding future investment projects, working capital, acquisition and/or so forth. It is a new general mandate and is sought to provide flexibility and avoid any delay and cost in convening a general meeting for such issuance of shares. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting 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 29 April 2016 which despatched together with the Company's 2015 Annual Report for further information.

Administrative Details

Meeting	:	Fifth Annual General Meeting (“5th AGM”)
Date	:	Friday, 27 May 2016
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 5th 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 5th AGM at the foyer outside Ballroom 1 on the Ground Level.

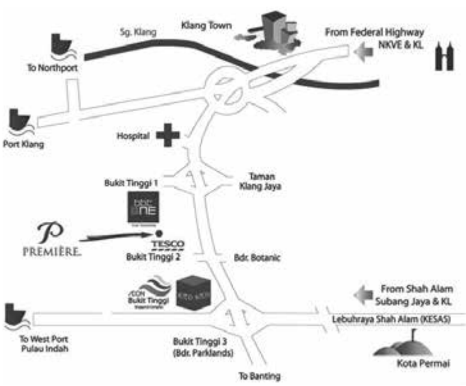
LUNCH

Upon the conclusion of the 5th AGM, a buffet lunch will be served at the Ballroom 2 on the Ground Level.

RECORD OF DEPOSITORS FOR ATTENDANCE AT 5th AGM

For the purpose of determining a member’s eligibility to attend and vote at the 5th AGM, the Company shall obtain a General Meeting Record of Depositors as at 23 May 2016 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 proxy to attend and/or vote on their behalf at the 5th AGM.

LOCATION MAP TO PREMIÈRE HOTEL, KLANG



Date: 29 April 2016

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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 Fifth 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 Friday, 27 May 2016 at 10.30 a.m. or at any adjournment thereof.

This proxy is to vote on the resolutions set out in the Notice of Fifth 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 declare and approve the payment of a final single tier dividend for the year ended 31 December 2015.		
2	To re-elect Mr Choe Kai Keong.		
3	To re-elect Mr Liang Kai Chong.		
4	To re-elect Mr Andrew Lim Cheong Seng.		
5	To re-appoint Messrs Ernst & Young as Auditors of the Company.		
6	To approve the payment of Directors' Fees.		
7	To retain Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid as an Independent Non-Executive Director.		
8	To retain Mr Choo Tak Woh as an Independent Non-Executive Director.		
9	To authorise the issuance of new shares pursuant to Section 132D of the Companies Act, 1965.		
10	To approve the Proposed Renewal of Share Buy-Back Authority.		

Dated this ______________ day of ______________ 2016

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 B-30-01, The Ascent, Paradigm, No. 1, Jalan SS7/26A, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time fixed for holding the meeting or any adjourned meeting thereof.*

Lastly, Fold This Flap For Sealing

Then Fold Here

Affix Stamp

THE COMPANY SECRETARY
WCT Holdings Berhad
B-30-01, The Ascent, Paradigm
No. 1, Jalan SS7/26A, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

First Fold Here

PARADIGM GARDEN CITY, OUG – KL SOUTH

- 72 acres
- Freehold
- 4-in-1 integrated development (2 million sq. ft. Shopping Mall | Corporate Offices | Prestigious Hotel | Luxury Residences)
- Accessibility – 5 Ingress | 5 Egress

WALTZ RESIDENCES (OPEN FOR REGISTRATION)

- Paradigm Garden City, OUG – KL South
- 2 acres land
- Freehold
- 2 towers (South tower : 29-storey | North tower : 38-storey)
- 419 units of luxury condominium
- Size ranges from 948 sq. ft. to 3,511 sq. ft.
- 2 car parks
- Approximately 700 metre to Paradigm Mall
- Approximately 1.2km to Awan Besar LRT Station

WCT
BUILDING VALUES

35 YEARS
1981 • 2016
OF GROWING EXCELLENCE

For further enquiries, please contact +603-7971 8333

www.wct.com.my

WCT Holdings Berhad (930464-M)

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