



**WCT HOLDINGS BERHAD**

Registration Number : 201101002327 (930464-M)  
(Incorporated in Malaysia)

**Date : 25 November 2020**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER AND 9-MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

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**WCT HOLDINGS BERHAD**

Registration Number : 201101002327 (930464-M)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**

( The figures have not been audited )

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	RM'000	RM'000	RM'000	RM'000
Revenue	423,441	368,272	1,161,477	1,333,028
Cost of sales	(326,440)	(275,094)	(918,347)	(1,022,135)
<b>Gross profit</b>	<b>97,001</b>	<b>93,178</b>	<b>243,130</b>	<b>310,893</b>
Other income	6,321	15,679	29,535	41,083
Other expenses	(7,849)	(24,241)	(31,551)	(40,981)
Administrative expenses	(23,861)	(30,411)	(74,837)	(90,721)
Finance costs	(29,110)	(37,264)	(92,660)	(113,506)
Share of profit after tax of associates	3,045	1,359	8,985	2,754
Share of profit/(loss) after tax of joint ventures	(9,190)	(6,899)	(12,878)	65
	<b>36,357</b>	<b>11,401</b>	<b>69,724</b>	<b>109,587</b>
Income tax	(11,795)	185	(22,709)	(37,693)
<b>Profit for the period</b>	<b>24,562</b>	<b>11,586</b>	<b>47,015</b>	<b>71,894</b>
Attributable to:				
Equity holders of the Company	1,838	13,325	9,242	76,345
Holders of Perpetual Sukuk	24,354	-	42,532	-
Non-controlling interest	(1,630)	(1,739)	(4,759)	(4,451)
<b>Profit for the period</b>	<b>24,562</b>	<b>11,586</b>	<b>47,015</b>	<b>71,894</b>
Attributable to equity holders of the Company :				
Basic earnings per share (sen)	<b>0.13</b>	<b>0.95</b>	<b>0.66</b>	<b>5.48</b>
Fully diluted earnings per share (sen)	<b>- *</b>	<b>0.94</b>	<b>- *</b>	<b>5.46</b>

\* Not applicable as all the employees' share options are anti-dilutive .

(The consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.)

**WCT HOLDINGS BERHAD**

Registration Number : 201101002327 (930464-M)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**

( The figures have not been audited )

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	RM'000	RM'000	RM'000	RM'000
Profit for the period	24,562	11,586	47,015	71,894
Other comprehensive (loss)/income:				
Currency translation differences arising from consolidation	(13,391)	7,807	718	322
Other comprehensive (loss)/income for the period, net of tax	(13,391)	7,807	718	322
Total comprehensive income for the period	11,171	19,393	47,733	72,216
Total comprehensive income for the period attributable to :				
Equity holders of the Company	(11,409)	21,037	9,883	76,610
Holders of Perpetual Sukuk	24,354	-	42,532	-
Non-controlling interest	(1,774)	(1,644)	(4,682)	(4,394)
	11,171	19,393	47,733	72,216

(The consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.)

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**WCT HOLDINGS BERHAD**

Registration Number : 201101002327 (930464-M)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020**

	AS AT 30.09.2020 UNAUDITED RM'000	AS AT 31.12.2019 AUDITED RM'000
<b>ASSETS</b>		
<b><u>Non-current assets</u></b>		
Property, plant and equipment	345,022	351,052
Right-of-use assets:		
- Property, plant and equipment	42,124	44,343
- Investment properties	124,457	132,379
Intangible assets	125,598	131,353
Inventory properties under development	1,761,207	1,725,548
Investment properties	1,805,107	1,805,106
Investment in associates	160,206	164,904
Investment in joint ventures	342,471	365,749
Trade receivables	1 418,320	312,684
Contract assets	1 231,477	229,141
Other receivables	1 328,362	326,239
Deferred tax assets	18,288	11,359
	<u>5,702,639</u>	<u>5,599,857</u>
<b><u>Current assets</u></b>		
Inventory properties under development	165,908	242,113
Inventories	512,823	469,263
Trade receivables	586,644	737,163
Contract assets	366,483	436,025
Other receivables	298,858	172,735
Due from related parties	534,532	494,516
Tax recoverable	5,613	22,062
Cash and bank balances	600,677	646,444
	<u>3,071,538</u>	<u>3,220,321</u>
<b>TOTAL ASSETS</b>	<u>8,774,177</u>	<u>8,820,178</u>
<b>EQUITY AND LIABILITIES</b>		
<b><u>Equity attributable to equity holders of the Company</u></b>		
Share capital	3,212,796	3,212,796
Reserves	(1,496,872)	(1,497,511)
Retained earnings	1,432,020	1,434,569
Treasury shares, at costs	(2,666)	(7,486)
	<u>3,145,278</u>	<u>3,142,368</u>
Perpetual Sukuk	817,909	612,665
Non-controlling interest	(38,203)	(33,521)
<b>Total equity</b>	<u>3,924,984</u>	<u>3,721,512</u>

**WCT HOLDINGS BERHAD**

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020 (Cont'd.)**

		AS AT 30.09.2020 UNAUDITED RM'000	AS AT 31.12.2019 AUDITED RM'000
<b>EQUITY AND LIABILITIES (Cont'd)</b>			
<b><u>Non-current liabilities</u></b>			
Trade payables	2	91,207	80,882
Contract liabilities	2	88,039	87,354
Other payables	2	215,714	202,703
Lease commitment payable		104,729	102,017
Lease liabilities		190,134	210,245
Borrowings		1,899,446	1,897,777
Deferred tax liabilities		95,973	98,951
		2,685,242	2,679,929
<b><u>Current liabilities</u></b>			
Trade payables		847,512	753,750
Contract liabilities		79,562	159,149
Other payables		253,955	278,263
Lease commitment payable		7,538	3,759
Lease liabilities		29,276	30,174
Due to related parties		1	8
Borrowings		924,289	1,188,132
Tax payable		21,818	5,502
		2,163,951	2,418,737
<b>Total Liabilities</b>		4,849,193	5,098,666
<b>TOTAL EQUITY AND LIABILITIES</b>		8,774,177	8,820,178
Net asset per share (RM)		2.23	2.23

(1) Includes receivables of RM250 million in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecourse project.

(2) Includes payables of RM250 million in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecourse project.

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020

	Attributable to Equity Holders of the Company													
	Non-Distributable					Distributable								
	Share capital	Treasury shares	Internal reorganisation reserve	Other reserve	Exchange reserve	Capital reserve	Equity compensation reserve	Revaluation reserve	General reserve	Retained earnings	Total	Perpetual Sukuk	Non-controlling interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Preceding year corresponding period</b>														
<b>At 1 January 2019</b>	3,210,984	(30,041)	(1,554,791)	12	(64,522)	61,646	10,244	66,934	1,438	1,478,591	3,180,495	-	(26,552)	3,153,943
Profit/(loss) for the period	-	-	-	-	-	-	-	-	-	76,345	76,345	-	(4,451)	71,894
Other comprehensive income	-	-	-	-	265	-	-	-	-	-	265	-	57	322
Total comprehensive income/(loss) for the period	-	-	-	-	265	-	-	-	-	76,345	76,610	-	(4,394)	72,216
Issuance of Perpetual Sukuk	-	-	-	-	-	-	-	-	-	-	-	611,719	-	611,719
Arising from share options exercised	1,401	-	-	-	-	-	-	-	-	-	1,401	-	-	1,401
Share dividends distributed to shareholders	-	22,555	-	-	-	-	-	-	-	(22,555)	-	-	-	-
Transfer within reserve for ESOS exercised	371	-	-	-	-	-	(371)	-	-	-	-	-	-	-
Transfer within reserve	-	-	-	(2)	-	-	(11,085)	-	-	11,087	-	-	-	-
<b>At 30 September 2019</b>	3,212,756	(7,486)	(1,554,791)	10	(64,257)	61,646	9,873	55,849	1,438	1,543,468	3,258,506	611,719	(30,946)	3,839,279
<b>Current year to date</b>														
<b>At 1 January 2020</b>	3,212,796	(7,486)	(1,554,791)	5	(71,345)	61,646	9,638	55,898	1,438	1,434,569	3,142,368	612,665	(33,521)	3,721,512
Profit/(loss) for the period	-	-	-	-	-	-	-	-	-	9,242	9,242	42,532	(4,759)	47,015
Other comprehensive income	-	-	-	-	641	-	-	-	-	-	641	-	77	718
Total comprehensive income/(loss) for the period	-	-	-	-	641	-	-	-	-	9,242	9,883	42,532	(4,682)	47,733
Share dividends distributed to shareholders	-	11,793	-	-	-	-	-	-	-	(11,793)	-	-	-	-
Distribution to holders of Perpetual Sukuk	-	(6,973)	-	-	-	-	-	-	-	-	(6,973)	(42,532)	-	(42,532)
Arising from share buy-back	-	-	-	-	-	-	-	-	-	-	-	204,723	-	(6,973)
Issuance of Perpetual Sukuk	-	-	-	(2)	-	-	-	-	-	-	-	-	-	204,723
Transfer within reserve	-	-	-	-	-	-	-	-	-	2	-	-	-	-
Amortization of transaction cost	-	-	-	-	-	-	-	-	-	-	-	521	-	521
<b>At 30 September 2020</b>	3,212,796	(2,666)	(1,554,791)	3	(70,704)	61,646	9,638	55,898	1,438	1,432,020	3,145,278	817,909	(38,203)	3,924,984

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.)

**WCT HOLDINGS BERHAD**

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**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**

	Year-To-Date Ended	
	30.09.2020 UNAUDITED RM'000	30.09.2019 UNAUDITED RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	69,724	109,587
Adjustments for:-		
Non-cash items	18,319	27,683
Non-operating items - financing	65,993	89,208
Non-operating items - investing	12,086	(4,855)
Operating profit before working capital changes	166,122	221,623
Net changes in assets	(13,616)	225,944
Net changes in liabilities	(16,542)	(185,472)
Cash flows generated from operations	135,964	262,095
Taxation paid	(12,989)	(53,245)
Net cash generated from operating activities	122,975	208,850
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments in joint ventures	-	(1,530)
Interest received	26,669	24,298
Property, plant and equipment	(16,901)	(3,982)
Dividend received from associates	6,032	-
Dividend received from joint ventures	10,394	17,447
Redemption of cumulative redeemable preference shares from associates	5,313	-
Placement in deposits with licensed banks	(10,271)	(6,084)
Net cash generated from investing activities	21,236	30,149
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(96,061)	(122,425)
Proceed from share options exercised	-	1,401
Proceed from issuance of Perpetual Sukuk	204,500	617,000
Purchase of treasury shares	(6,973)	-
Issuance costs of Perpetual Sukuk	-	(685)
Distribution to holders of Perpetual Sukuk	(42,532)	-
Bank borrowings	(262,646)	(613,744)
Net cash used in financing activities	(203,712)	(118,453)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD</b>	(59,501)	120,546
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	606,572	366,782
Foreign exchange differences	2,991	3,549
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD *</b>	550,062	490,877

\* Cash & cash equivalents excludes deposits with licensed bank (restricted) amounting to RM47,082,364 and deposits with maturities more than 3 months amounting to RM3,061,367.

(The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.)

**A EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134, INTERIM FINANCIAL REPORTING**

**A1 Basis of Preparation**

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

The interim financial statements are unaudited and have been prepared in compliance with MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2019. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2019.

**A2 Changes in Accounting Policies**

The significant accounting policies adopted by the Group are consistent with those adopted in preparing the audited financial statements for the financial year ended 31 December 2019, except for the adoption of the following new Malaysian Financial Reporting Standards ("MFRSs") and Amendments to MFRSs with effect from 1 January 2020.

**MFRSs and Amendments to MFRSs**

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 101 and MFRS 108: <i>Definition of Material</i>	1 January 2020
Amendments to MFRS 3: <i>Business Combinations</i>	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: <i>Interest Rate Benchmark Reform</i>	1 January 2020

The Directors do not expect that the adoption of the above new standards to have a material impact on the financial statements in the periods of initial application.



### A3 Audit Qualification

There was no audit qualification in the auditors' report of the Company relating to the audited financial statements for the financial year ended 31 December 2019.

### A4 Seasonal Or Cyclical Factors

The business operations of the Group were not significantly affected by any seasonal or cyclical factors.

### A5 Items Of Unusual Nature

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and 9-months financial period ended 30 September 2020.

### A6 Changes In Estimates

There were no changes in estimates that have had any material effect during the current quarter and 9-months financial period ended 30 September 2020.

### A7 Changes In Debt and Equity Securities

Save as disclosed below, there were no issuance, cancellation, resale, repurchase and repayment of debts and equity securities during the current quarter and 9-months financial period ended 30 September 2020.

#### (a) Share buy back

The Company repurchased 14,122,800 of its own ordinary shares from the open market, at an average cost of RM0.49 each during the 9-months financial period ended 30 September 2020. The total consideration paid for the share buy-back including transaction costs amounted to RM6.973 million and were financed by internally generated funds. The shares bought back are being held as treasury shares in accordance with Section 127(4)(b) of the Companies Act 2016.

	No of Treasury Shares '000	Treasury Shares RM'000
Balance as at 1 January 2020	8,185	7,486
Repurchased during the first financial quarter	14,123	6,973
Distributed as dividend during the financial period	<u>(13,953)</u>	<u>(11,793)</u>
Balance as at 30 September 2020	<u>8,355</u>	<u>2,666</u>

None of the treasury shares held were resold nor cancelled during the financial period under review. Refer to Note B10 for further information on the distribution of the treasury shares as share dividend on 26 August 2020.

**A7 Changes In Debt and Equity Securities (Cont'd.)**

(b) Perpetual Sukuk Musharakah

On 3 March 2020, the Company issued RM204,500,000 nominal value of Perpetual Sukuk Musharakah pursuant to the Company's Perpetual Sukuk Musharakah programme of up to RM1,000,000,000 in nominal value.

The RM204,500,000 nominal value of Perpetual Sukuk Musharakah has a tenor of perpetual, non-callable 7 years with an initial periodic distribution rate of 5.70% per annum. Together with the RM617,000,000 nominal value of Perpetual Sukuk Musharakah issued in the previous financial year, the total outstanding Perpetual Sukuk Musharakah in issue stood at RM821,500,000 in nominal value as at 30 September 2020.

**A8 Dividends**

Please refer to Explanatory Note B10.

A9 Segmental Information

	Engineering and construction RM'000	Property development RM'000	Property investment and management RM'000	Unallocated RM'000	Eliminations RM'000	Consolidated RM'000
<b>9 months period ended 30 September 2020</b>						
<b>Revenue</b>						
External	803,790	229,564	128,122	-	-	1,161,476
Inter segment	98,939	-	2,263	-	(101,202)	-
	<u>902,729</u>	<u>229,564</u>	<u>130,385</u>	<u>-</u>	<u>(101,202)</u>	<u>1,161,476</u>
<b>Segment results</b>						
Profit from operations	40,752	64,118	61,407	-	-	166,277
Share of results of associates	79	2,718	-	6,188	-	8,985
Share of results of joint ventures	936	(7,131)	(6,683)	-	-	(12,878)
Finance costs						(92,660)
Taxation						(22,709)
Profit for the financial period						<u>47,015</u>
Profit attributable to :-						
- Equity holders of the Company						9,242
- Holders of Perpetual Sukuk						42,532
- Non-controlling interest						(4,759)
						<u>47,015</u>
<b>9 months period ended 30 September 2019</b>						
<b>Revenue</b>						
External	983,555	198,879	150,594	-	-	1,333,028
Inter segment	112,017	-	8,687	-	(120,704)	-
	<u>1,095,572</u>	<u>198,879</u>	<u>159,281</u>	<u>-</u>	<u>(120,704)</u>	<u>1,333,028</u>
<b>Segment results</b>						
Profit from operations	96,416	51,107	72,751	-	-	220,274
Share of results of associates	1,362	(579)	-	1,971	-	2,754
Share of results of joint ventures	311	(12,630)	12,384	-	-	65
Finance costs						(113,506)
Taxation						(37,693)
Profit for the financial period						<u>71,894</u>
Profit attributable to :-						
- Equity holders of the Company						76,345
- Non-controlling interest						(4,451)
						<u>71,894</u>

**A10 Carrying Amount Of Revalued Assets**

The values of investment properties and property, plant and equipment have been brought forward without amendment from the audited financial statements for the financial year ended 31 December 2019.

**A11 Subsequent Material Events**

There were no material event subsequent to the 9-months financial period ended 30 September 2020.

**A12 Effects Of Changes In The Composition Of The Group**

There were no changes in the composition of the Group during the current quarter and 9-months financial period ended 30 September 2020.

**A13 Contingent Liabilities**

Contingent liabilities of the Group as at 19 November 2020 (being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly unaudited financial report) comprised mainly bank guarantees and letters of credit totalling RM656.737 million and RM12.731 million respectively which have been provided by the Group to various third parties in the ordinary course of business and relating to tax matters under appeal amounting to RM2.05 million. The changes in contingent liabilities since 31 December 2019 are as follows:-

(a) Bank Guarantees and Letters of credit	<b>Bank Guarantees</b>	<b>Letters of credit</b>
	<b>RM'000</b>	<b>RM'000</b>
Balance as at 31 December 2019	1,001,500	19,736
Extended/utilised during the financial period	40,152	901
Discharged/paid during the financial period	<u>(384,915)</u>	<u>(7,906)</u>
Balance as at 19 November 2020	<u><u>656,737</u></u>	<u><u>12,731</u></u>

(b) The tax matters under appeal of the Group totalling RM2.05 million are in respect of corporation tax and service tax of a foreign subsidiary.



**A14 Contingent Assets**

**30.09.2020**  
**RM'000**

Contingent assets arising from the Final Award of the arbitration Tribunal in  
 DIAC Case No. 02/2009, dated 5 July 2015 (Note B9 Material Litigation)

734,032

**A15 Capital Commitments**

There are no material commitments except for as follows:-

**30.09.2020**  
**RM'000**

Approved and contracted for :

Property, plant and equipment

79,418

Share of capital commitment of joint ventures

124

79,542

**A16 Significant Related Party Transactions**

The Group had the following significant transactions with related parties during the 9-months financial period ended 30 September 2020:

**9 months to**  
**30.09.2020**  
**RM'000**

Contract revenue from associates

51,482

Contract revenue from companies in which certain directors have interests

147,335

Interest receivable from joint ventures

13,428

Management fee receivable from joint ventures

4,659

Gross dividend received from joint ventures

10,394

Gross dividend received from associates

6,032

Fees payable for retail related services to a company in which certain directors  
 have interests

720

Management fees payable for retail related services to a joint venture

304

Lease expense payable to a company in which certain directors have interests

295



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

### **B1 Review of performance**

For the current financial quarter under review, the Group recorded revenue and profit attributable to equity holders of RM423 million and RM2 million respectively as compared to RM368 million and RM13 million reported in the preceding financial year corresponding quarter, respectively.

The Engineering and Construction segment continues to be the Group's main contributor of revenue, accounting for 70% of the Group's consolidated revenue. The Property Development and Property Investment & Management segments contributed RM86 million and RM41 million respectively, representing approximately 20% and 10% of the Group's consolidated revenue, respectively.

For the current year to date, the Group reported a lower revenue of RM1,161 million, which is 13% below the revenue of RM1,333 million registered in the preceding financial year corresponding period. The Group registered a profit attributable to equity holders of RM9 million as compared to the preceding financial year corresponding period's profit of RM76 million due to business disruptions affected by Covid-19 pandemic.

#### Engineering and Construction

For the cumulative quarters under review, this segment recorded revenue and operating profit of RM804 million and RM41 million as compared to RM984 million and RM96 million reported in the preceding financial year corresponding quarter. The lower revenue and operating profit were mainly due to lower level of construction activities during the Movement Control Order ("MCO") periods since 18 March 2020 and additional operation costs affected by Covid-19 pandemic.

#### Property Development

Revenue and operating profit from this segment for the cumulative quarters under review recorded improvements at RM230 million (2019: RM199 million) and RM64 million (2019: RM51 million) respectively. The higher revenue and operating profit were mainly due to improved sales performance and profit recognition from current inventories stocks and the Waltz Residences following the completion of this project in June 2020.

#### Property Investment and Management

The Property Investment and Management segment for the cumulative quarters under review recorded lower revenue and operating profit of RM128 million (2019: RM151 million) and RM61 million (2019: RM73 million) respectively. The lower revenue and operating profit were mainly due to lower income from the Group's retail mall and hotel operations during the MCO periods since 18 March 2020 and rental rebates granted to tenants of the retail malls.

**B1 Review of performance (Cont'd.)**

The Company reported basic earnings per share at 0.66 sen as compared to 5.48 sen recorded in the preceding financial year corresponding quarter.

**B2 Comparison With Immediate Preceding Quarter's Results**

For the current quarter under review, the Group recorded revenue and profit attributable to equity holders of the Company of RM423 million and RM2 million respectively as compared to RM375 million and RM7 million in the immediate preceding quarter. The Group recorded lower profit attributable to equity holders in the current quarter after distribution of dividend amounting to RM24.4 million to the holders of Perpetual Sukuk Musharakah.

**B3 Profit for the period**

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.9.2020 RM'000	30.9.2019 RM'000	30.9.2020 RM'000	30.9.2019 RM'000
Profit for the period is arrived at after crediting/ (charging):				
Interest income	4,818	5,197	15,988	16,932
Interest expense and sukuk profit	(29,110)	(37,264)	(92,660)	(113,506)
Depreciation & amortisation	(5,811)	(6,047)	(17,802)	(15,406)
Net impairment and allowance for expected credit losses of trade and other receivables	952	(14,529)	(1,172)	(14,111)
(Loss)/gain on disposal of property, plant and equipment	(328)	1,813	(271)	2,036
Unrealised (loss)/gain on foreign exchange	(1,499)	1,194	603	1,559

#### **B4 Prospects For The Financial Year 2020**

For the current financial year ending 31 December 2020, the performance of the Group is expected to be affected by the Coronavirus ("Covid-19") pandemic. The implementation of the Movement Control Order ("MCO") since 18 March 2020 had resulted in restriction in business activities across all the business segments of the Group. Whilst construction works have started to resume during the conditional MCO period, the level of activities on site have been generally lower as compared to the pre-MCO period, as the Group adopts more stringent preventive measures to mitigate the viral transmission and safeguard the wellbeing of our workers and employees.

The Covid-19 pandemic and implementation of the MCO have also further resulted in drop in demand for the Group's products and services, including the lower sales of property units, drop in consumer spending and shopper footfall in our retail malls as well as temporary suspension of our hotel operations. The extent of the impact of the Covid-19 pandemic on the Group's financial results remain uncertain at this juncture, as it would depend on various factors, including the speed of economic recovery, both domestically and internationally, as well as when Covid-19 pandemic can be effectively curtailed.

As a result of the uncertainties of the Covid-19 impact, the value of certain assets and liabilities of the Group, including the Group's properties, investment properties, inventory properties under development and completed inventory properties may be affected.

In order to navigate through this challenging time, the Group has started implementing various cost cutting initiatives to mitigate the impact of the decline in revenue and profits. The Group's Engineering and Construction Division is expected to continue to be supported by its outstanding order book of over RM5 billion whilst focusing on project execution. The recently secured building construction job worth RM1.2 billion for the superstructure works for Phase 2 of Pavilion Damansara Heights in March 2020 has further strengthened the Group's outstanding order book.

For the Group's property development activities, the Group will endeavour to reposition its sales and marketing efforts, including to leverage on new technologies and marketing channels to drive the future sales and revenue. Meanwhile, the Group continues its efforts to reduce its unsold properties as well as divesting some of its idle undeveloped lands to improve its operating cash flows.

For the Group's investment properties, particularly the retail malls under management, the Group will continue to extend support to its tenants and introduce new measures to drive higher footfall and consumer spending, whilst observing new standard operating procedures to safeguard the wellbeing of our tenants, shoppers and employees.

#### **B5 Variance Of Actual Profit From Forecast Profit**

Not applicable to the Group.



**B6 Taxation**

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.9.2020	30.9.2019	30.9.2020	30.9.2019
	RM'000	RM'000	RM'000	RM'000
Taxation comprises:				
Income tax				
- current financial period	9,428	10,563	30,273	50,337
- prior years/ periods	-	(11,411)	2,481	(9,161)
Deferred taxation	2,367	663	(10,045)	(3,483)
	<u>11,795</u>	<u>(185)</u>	<u>22,709</u>	<u>37,693</u>

The Group's effective tax rate (excluding the results of associates and joint ventures which are equity accounted net of tax) for the current quarter and cumulative quarters ended 30 September 2020, preceding financial year cumulative quarter ended 30 September 2019 are higher than the statutory tax rate mainly due to certain expenses not deductible for tax purposes.

The Group's effective tax rate (excluding the results of associates and joint ventures which are equity accounted net of tax) for the preceding financial year corresponding quarter ended 30 September 2019 is lower than the statutory tax rate mainly due to over provision of tax in prior year.

**B7 Status of Corporate Proposals Announced**

There were no corporate proposals announced that are not completed as at the reporting date.

## B8 Group Borrowings And Debt Securities

Details of the Group's borrowings are as follows:-

	As at 30.09.2020 RM'000	As at 31.12.2019 RM'000
<b>Long Term Bank Borrowings</b>		
<u>Secured:-</u>		
Long term loans	589,446	587,777
	<u>589,446</u>	<u>587,777</u>
<u>Unsecured:-</u>		
Sukuk Murabahah	1,310,000	1,310,000
	<u>1,310,000</u>	<u>1,310,000</u>
	<u>1,899,446</u>	<u>1,897,777</u>
<b>Short Term Bank Borrowings</b>		
<u>Secured :-</u>		
Revolving credit	478,746	448,282
Term loans	89,768	137,940
	<u>568,514</u>	<u>586,222</u>
<u>Unsecured :-</u>		
Banker's acceptance	13,803	27,160
Bank overdraft	472	-
Medium Term Notes ("MTN")	-	183,250
Revolving credit	341,500	391,500
	<u>355,775</u>	<u>601,910</u>
	<u>924,289</u>	<u>1,188,132</u>
	<u>2,823,735</u>	<u>3,085,909</u>
<b>Total Bank Borrowings</b>		

Key:

Sukuk Murabahah-Sukuk issued under the Company's RM1.5 billion Sukuk Murabahah Programme  
 MTN - MTN issued under the Company's RM 1.0 billion Medium Term Notes Programme

## B9 Material Litigation

Save as disclosed below, there are no material litigation pending since 31 December 2019 (being the date of the last annual statement of financial position) to 19 November 2020 (being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly unaudited financial report) in which the Group is engaged either as plaintiff or defendant, and the Board of the Company has no knowledge of any proceedings pending or threatened against the Company or of any facts likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group during the said period.

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

- (a) On 11 January 2009, WCT Berhad Dubai Branch (“WCTB Dubai Branch”), a wholly-owned subsidiary of the Company (jointly with Arabtec Construction LLC, (“Arabtec”) in a 50:50 joint venture (“Joint Venture”) and as Claimants) commenced arbitration proceedings against Meydan Group LLC (formerly known as Meydan LLC, as Respondent) (“Meydan”) in relation to the Cancellation. In the course of the arbitration proceedings, the Joint Venture’s dispute and claims had been revised from time to time and eventually totalled approximately AED2.8 billion.

On 27 February 2013, WCTB Dubai Branch was informed by Arabtec that its board of directors had 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 to proceed with negotiations for an amicable settlement. Pursuant thereto, Arabtec and Meydan had withdrawn their respective claims and counterclaims as against themselves, from the DIAC Case No. 02/2009. The arbitration proceedings then continued as between WCTB and Meydan in respect of WCTB’s rights in its share of the Joint Venture’s claims namely approximately AED1.4 billion.

On 8 July 2015, WCTB Dubai Branch received the Final Award of the Arbitration Tribunal in DIAC Case No. 02/2009, dated 5 July 2015, (“the Award”), where the Arbitration Tribunal has found and ruled in favor of WCTB Dubai Branch, 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 Security and must repay the same.

Consequently, the Arbitration Tribunal awarded to and in favor of WCTB Dubai Branch, and ordered Meydan to pay WCTB Dubai Branch a total of AED1,152,651,192.68 (Arab Emirates Dirham One Billion, One Hundred and Fifty Two Million, Six Hundred and Fifty One Thousand, One Hundred and Ninety Two and Fils Sixty Eight) (approximately \*RM1,197,258,793 [Ringgit Malaysia One Billion, One Hundred and Ninety Seven Million, Two Hundred and Fifty Eight Thousand, Seven Hundred and Ninety Three]).

## B9 Material Litigation (Contd')

WCTB Dubai Branch had on 4 March 2019, filed an application for an order to recognise the Award with the local Dubai Civil Court of Appeal. Concurrently, Meydan had also filed an application in the local Dubai Civil Court to annul the Award. On 1 May 2019, the Dubai Civil Court of Appeal issued its decision and order to recognise the Award. On 16 June 2019, the Government of Dubai, through His Highness' The Ruler's Court decreed that all claims filed by or against Meydan and/or its subsidiaries in the Dubai Civil Courts be stayed and be referred to a Special Judicial Committee. Both WCTB Dubai Branch's application for the recognition of the Award and Meydan's application to annul the Award have since been referred to the Special Judicial Committee. As at the date of this report, both proceedings are still on-going.

\* Based on exchange rate as at 8 July 2015

- (b) Segi Astana Sdn. Bhd. ("SASB"), a joint venture of WCT Land Sdn. Bhd., which is in turn a wholly-owned subsidiary of the Company, had on 21 March 2019 through its solicitors served a Notice of Arbitration dated 21 March 2019 on Malaysia Airports Holdings Berhad ("MAHB"), claiming against MAHB an estimated sum of not less than RM70,000,000 in respect of losses and damages suffered pertaining to, inter alia, the delay in the commencement of the commercial operation of the KLIA-2 Integrated Complex. The sums are payable pursuant to the Concession Agreement dated 22 September 2011 executed between SASB, WCT Berhad ("WCTB") and MAHB ("Concession Agreement").

Concurrently, SASB and WCTB had on 21 March 2019, received a Notice of Arbitration from MAHB through its solicitors, whereby MAHB is claiming from SASB and WCTB fixed monthly charges of RM958,849 per month for the supply of chilled water for the cooling system of the KLIA-2 Integrated Complex from September 2013 to date, allegedly due pursuant to the Concession Agreement ("MAHB's Claim").

Both proceedings are being disputed by the respective counterparties and both proceedings are, as at the date of this report, still on-going.

**B10 Dividends**

	<b>Paid in Financial Year Ending 31 Dec 2020 RM'000</b>	<b>Paid in Financial Year Ended 31 Dec 2019 RM'000</b>
<u>Final single tier dividend paid</u>		
For the financial year ended 31 December 2018		
- Share dividend by way of distribution of 27,626,878 treasury shares on 28 June 2019 on the basis of 2 treasury shares for every 100 ordinary shares held in the Company	-	22,555
<u>Final single tier dividend paid</u>		
For the financial year ended 31 December 2019		
- Share dividend by way of distribution of 13,953,231 treasury shares on 26 August 2020 on the basis of 1 treasury share for every 100 ordinary shares held in the Company	11,793	-
Total net dividend paid	<u>11,793</u>	<u>22,555</u>

**B11 Earnings Per Share- Basic/Diluted**

	QUARTER ENDED	YEAR-TO-DATE
	30.09.2020	ENDED
		30.09.2020
<b>(a) Basic Earnings Per Share</b>		
Profit attributable to the equity holders of the Company (RM'000)	1,838	9,242
Weighted average number of ordinary shares in issue, excluding treasury shares ('000)	1,400,392	1,399,778
Basic earnings per share (sen)	0.13	0.66

**(b) Fully Diluted Earnings Per Share**

No diluted earnings per share is disclosed as all the employees' share options are anti-dilutive.

**Date: 25 November 2020**