



WCT HOLDINGS BERHAD

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

Date : 27 May 2021

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2021**

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WCT HOLDINGS BERHAD

Registration Number : 201101002327 (930464-M)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2021

(The figures have not been audited)

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
	RM'000	RM'000	RM'000	RM'000
Revenue	444,285	363,082	444,285	363,082
Cost of sales	(314,667)	(280,264)	(314,667)	(280,264)
Gross profit	129,618	82,818	129,618	82,818
Other income	57,818	11,226	57,818	11,226
Other expenses	(8,467)	(14,298)	(8,467)	(14,298)
Administrative expenses	(26,741)	(26,854)	(26,741)	(26,854)
Finance costs	(28,782)	(32,571)	(28,782)	(32,571)
Share of profit after tax of associates	140	3,596	140	3,596
Share of (loss)/profit after tax of joint ventures	(12,282)	1,492	(12,282)	1,492
	111,304	25,409	111,304	25,409
Income tax	(23,610)	(8,568)	(23,610)	(8,568)
Profit for the period	87,694	16,841	87,694	16,841
Attributable to:				
Equity holders of the Company	65,400	(17)	65,400	(17)
Holders of Perpetual Sukuk	23,958	18,178	23,958	18,178
Non-controlling interest	(1,664)	(1,320)	(1,664)	(1,320)
Profit for the period	87,694	16,841	87,694	16,841
Attributable to equity holders of the Company :				
Basic earnings per share (sen)	<u>4.66</u>	<u>- #</u>	<u>4.66</u>	<u>- #</u>
Fully diluted earnings per share (sen)	<u>- *</u>	<u>- *</u>	<u>- *</u>	<u>- *</u>

This represent basis loss per share of 0.0012 sen

* Not applicable as all the employees' share options and warrants 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 2020 and the accompanying explanatory notes attached to the interim financial statements.)

WCT HOLDINGS BERHAD

Registration Number : 201101002327 (930464-M)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2021

(The figures have not been audited)

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
	RM'000	RM'000	RM'000	RM'000
Profit for the period	87,694	16,841	87,694	16,841
Other comprehensive income: Currency translation differences arising from consolidation	10,394	23,636	10,394	23,636
Other comprehensive profit for the period, net of tax	10,394	23,636	10,394	23,636
Total comprehensive profit for the period	98,088	40,477	98,088	40,477
Total comprehensive profit for the period attributable to :				
Equity holders of the Company	79,754	23,303	79,754	23,303
Holders of Perpetual Sukuk	23,958	18,178	23,958	18,178
Non-controlling interest	(5,624)	(1,004)	(5,624)	(1,004)
	98,088	40,477	98,088	40,477

(The consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.)

WCT HOLDINGS BERHAD

Registration Number : 201101002327 (930464-M)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	AS AT 31.3.2021 UNAUDITED RM'000	AS AT 31.12.2020 AUDITED RM'000
ASSETS		
<u>Non-current assets</u>		
Property, plant and equipment	328,127	334,471
Right-of-use assets:		
- Property, plant and equipment	45,205	44,388
- Investment properties	127,885	129,109
Intangible assets	115,827	117,639
Inventory properties under development	1,710,190	1,747,525
Investment properties	1,730,366	1,730,366
Investment in associates	156,405	153,580
Investment in joint ventures	227,346	239,619
Trade receivables	1 401,539	459,665
Contract assets	1 230,803	224,669
Other receivables	1 326,943	319,241
Deferred tax assets	11,103	10,384
	<u>5,411,739</u>	<u>5,510,656</u>
<u>Current assets</u>		
Inventory properties under development	230,538	207,462
Inventories	447,255	463,260
Trade receivables	777,673	651,549
Contract assets	430,367	440,904
Other receivables	254,867	208,208
Due from related parties	556,974	552,781
Tax recoverable	22,162	24,254
Cash and bank balances	466,216	526,495
	<u>3,186,052</u>	<u>3,074,913</u>
Assets classified as held for sale	<u>-</u>	<u>14,584</u>
TOTAL ASSETS	<u>8,597,791</u>	<u>8,600,153</u>
EQUITY AND LIABILITIES		
<u>Equity attributable to equity holders of the Company</u>		
Share capital	3,212,796	3,212,796
Reserves	(1,497,830)	(1,512,183)
Retained earnings	1,274,963	1,209,562
Treasury shares, at costs	(5,336)	(5,336)
	<u>2,984,593</u>	<u>2,904,839</u>
Perpetual Sukuk	818,252	818,081
Non-controlling interest	(47,774)	(42,150)
Total equity	<u>3,755,071</u>	<u>3,680,770</u>

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Registration Number : 201101002327 (930464-M)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021
(Cont'd.)

		AS AT 31.3.2021 UNAUDITED RM'000	AS AT 31.12.2020 AUDITED RM'000
EQUITY AND LIABILITIES (Cont'd)			
<u>Non-current liabilities</u>			
Trade payables	2	117,555	116,543
Contract liabilities	2	70,614	69,127
Other payables	2	213,470	200,082
Lease commitment payable		98,805	97,949
Hire purchase and lease liabilities		193,709	188,042
Borrowings		1,704,183	1,747,270
Deferred tax liabilities		111,810	110,239
		2,510,146	2,529,252
<u>Current liabilities</u>			
Trade payables		641,792	780,274
Contract liabilities		157,000	101,473
Other payables		257,754	260,394
Lease commitment payable		5,274	4,067
Hire purchase and lease liabilities		18,938	30,349
Due to related parties		81	743
Borrowings		1,238,207	1,209,783
Tax payable		13,528	3,048
		2,332,574	2,390,131
Total Liabilities		4,842,720	4,919,383
TOTAL EQUITY AND LIABILITIES		8,597,791	8,600,153
Net asset per share (RM)		2.13	2.07

(1) Includes receivables of RM249 million in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecourse project.

(2) Includes payables of RM249 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 2020 and the accompanying explanatory notes attached to the interim financial statements.)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2021

	Attributable to Equity Holders of the Company										Total equity RM'000			
	Non-Distributable					Distributable								
	Share capital RM'000	Treasury shares RM'000	Internal reorganisation reserve RM'000	Other reserve RM'000	Exchange reserve RM'000	Capital reserve RM'000	Equity compensation reserve RM'000	Revaluation reserve RM'000	General reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual Sukuk RM'000	Non-controlling interest RM'000	Total equity RM'000
<i>Preceding year corresponding period</i>														
At 1 January 2020	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
(Loss)/profit for the period	-	-	-	-	-	-	-	-	-	(17)	(17)	18,178	(1,320)	16,841
Other comprehensive income	-	-	-	-	23,320	-	-	-	-	-	23,320	-	316	23,636
Total comprehensive (loss)/income for the period	-	-	-	-	23,320	-	-	-	-	(17)	23,303	18,178	(1,004)	40,477
Distribution to holders of Perpetual Sukuk	-	-	-	-	-	-	-	-	-	-	-	(18,178)	-	(18,178)
Arising from share buy-back	-	(6,973)	-	-	-	-	-	-	-	-	(6,973)	-	-	(6,973)
Issuance of Perpetual Sukuk	-	-	-	-	-	-	-	-	-	-	-	204,773	-	204,773
Transfer within reserve	-	-	-	(1)	-	-	-	-	-	1	-	-	-	-
At 31 March 2020	3,212,796	(14,459)	(1,554,791)	4	(48,025)	61,646	9,638	55,898	1,438	1,434,553	3,158,698	817,438	(34,525)	3,941,611
<i>Current year to date</i>														
At 1 January 2021	3,212,796	(5,336)	(1,554,791)	2	(84,039)	61,646	9,282	54,279	1,438	1,209,562	2,904,839	818,081	(42,150)	3,680,770
Profit/(loss) for the period	-	-	-	-	-	-	-	-	-	65,400	65,400	23,958	(1,664)	87,694
Other comprehensive profit/(loss)	-	-	-	-	14,354	-	-	-	-	-	14,354	-	(3,960)	10,394
Total comprehensive income/(loss) for the period	-	-	-	-	14,354	-	-	-	-	65,400	79,754	23,958	(5,624)	98,088
Distribution to holders of Perpetual Sukuk	-	-	-	-	-	-	-	-	-	-	-	(23,958)	-	(23,958)
Transfer within reserve	-	-	-	(1)	-	-	-	-	-	1	-	-	-	-
Amortization of transaction cost	-	-	-	-	-	-	-	-	-	-	-	171	-	171
At 31 March 2021	3,212,796	(5,336)	(1,554,791)	1	(69,685)	61,646	9,282	54,279	1,438	1,274,963	2,984,593	818,252	(47,774)	3,755,071

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2021

	Year-To-Date Ended	
	31.3.2021 UNAUDITED RM'000	31.3.2020 UNAUDITED RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	111,304	25,409
Adjustments for:-		
Non-cash items	5,935	4,370
Non-operating items - financing	20,197	23,652
Non-operating items - investing	12,848	(5,476)
Operating profit before working capital changes	<u>150,284</u>	<u>47,955</u>
Net changes in assets	(71,035)	(88,383)
Net changes in liabilities	(69,788)	68,886
Cash flows generated from operating activities	<u>9,461</u>	<u>28,458</u>
Taxation paid	(10,187)	(1,827)
Net cash (used in)/generated from operating activities	<u>(726)</u>	<u>26,631</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	8,584	8,919
Property, plant and equipment	(2,289)	124
Dividend received from joint ventures	-	10,394
Placement in deposits with licensed banks	17,112	(3,929)
Net cash generated from investing activities	<u>23,407</u>	<u>15,508</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(24,684)	(33,977)
Proceed from issuance of Perpetual Sukuk	-	204,500
Purchase of treasury shares	-	(6,973)
Distribution to holders of Perpetual Sukuk	(23,958)	(18,178)
Payment of principal portion of lease liabilities	(10,200)	(12,667)
Net repayment of bank borrowings	(15,731)	(25,100)
Net cash (used in)/generated from financing activities	<u>(74,573)</u>	<u>107,605</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR	(51,892)	149,744
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	469,287	606,572
Foreign exchange differences	7,656	19,917
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD *	<u>425,051</u>	<u>776,233</u>

* Cash & cash equivalents excludes deposits with licensed bank (restricted) amounting to RM39,453,605 and deposits with maturities more than 3 months amounting to RM182,653.

(The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim

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

A1 Basis of Preparation

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 ("MASEB") 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 2020. 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 2020.

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 2020, except for the adoption of the following new Malaysian Financial Reporting Standards ("MFRSs") and Amendments to MFRSs with effect from 1 January 2021.

MFRSs and Amendments to MFRSs

Description	Effective for annual periods beginning on or after
Amendments to MFRS 9, MFRS 139 and MFRS 7: <i>Interest Rate Benchmark Reform-Phase 2</i>	1 January 2021

The Directors do not expect that the adoption of the above new accounting 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 2020.

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

Save for the business disruptions caused by the Covid-19 pandemic and the Movement Control Order ("MCO") imposed by the Government, there were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter ended 31 March 2021.

A6 Changes In Estimates

There were no changes in estimates that have had any material effect during the current quarter ended 31 March 2021.

A7 Changes In Debt and Equity Securities

There were no issuance, cancellation, resale, repurchase and repayment of debts and equity securities during the current quarter ended 31 March 2021.

A8 Dividends

Please refer to Explanatory Note B10.

A9 Segmental Information

	Investment holding, Engineering and construction RM'000	Property development RM'000	Property investment and management RM'000	Unallocated RM'000	Eliminations RM'000	Consolidated RM'000
3 months period ended 31 March 2021						
Revenue						
External	230,894	176,648	36,743	-	-	444,285
Inter segment	38,960	-	909	-	(39,869)	-
	<u>269,854</u>	<u>176,648</u>	<u>37,652</u>	<u>-</u>	<u>(39,869)</u>	<u>444,285</u>
Segment results						
Profit from operations	56,649	77,236	18,343	-	-	152,228
Share of results of associates	(127)	31	-	236	-	140
Share of results of joint ventures	358	(2,199)	(10,441)	-	-	(12,282)
Finance costs						(28,782)
Taxation						(23,610)
Profit for the financial period						<u>87,694</u>
Profit attributable to :-						
- Equity holders of the Company						65,400
- Holders of Perpetual Sukuk						23,958
- Non-controlling interest						<u>(1,664)</u>
						<u>87,694</u>
3 months period ended 31 March 2020						
Revenue						
External	241,012	73,903	48,167	-	-	363,082
Inter segment	31,162	-	2,514	-	(33,676)	-
	<u>272,174</u>	<u>73,903</u>	<u>50,681</u>	<u>-</u>	<u>(33,676)</u>	<u>363,082</u>
Segment results						
Profit from operations	6,879	24,344	21,669	-	-	52,892
Share of results of associates	114	(443)	-	3,925	-	3,596
Share of results of joint ventures	261	(1,853)	3,084	-	-	1,492
Finance costs						(32,571)
Taxation						(8,568)
Profit for the financial period						<u>16,841</u>
Profit attributable to :-						
- Equity holders of the Company						(17)
- Holders of Perpetual Sukuk						18,178
- Non-controlling interest						<u>(1,320)</u>
						<u>16,841</u>

A10 Non-current Assets Held for Sale

- (a) On 20 December 2020, Gabungan Efektif Sdn. Bhd ("GESB"), an indirect wholly-owned subsidiary of the Company, received an offer from a third party for the purchase of a parcel of freehold land held under Geran No. 321537 (Lot 167797) measuring approximately 1,439 square metres, located at Mukim Klang, District of Klang, State of Selangor for a total consideration of RM929,000. GESB entered into a sale and purchase agreement with the third party on 23 February 2021.
- (b) On 30 December 2020, Labur Bina Sdn. Bhd. ("LBSB"), an indirect wholly-owned subsidiary of the Company, received an offer from a third party for the purchase of 3 parcels of freehold land held under Geran No. 59808 (Lot 83189), Geran No. 94932 (Lot 84200) and Geran No. 95201 (Lot 84201) measuring approximately 64,954 square metres, located at Pekan Pandamaran, District of Klang, State of Selangor for a total consideration of RM69,916,000. LBSB accepted the offer on 18 January 2021 and has entered into a sale and purchase agreement with the third party on 1 March 2021.

A11 Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment have been brought forward without amendment from the previous audited financial statements as at 31 December 2020.

A12 Subsequent Material Events

Save as disclosed below, there was no material event subsequent to the quarter ended 31 March 2021.

On 2 April 2021, Malaysia Airports Holdings Berhad ("MAHB") via an official letter has notified the Company that it is agreeable to the Company's request for a reduction on the Group's lease commitment payable of the carpark and hangarage of the Sultan Abdul Aziz Shah Airport in Subang amounting to RM85,509,000 commencing from the date of acceptance until the expiry of the sublease in 2037.

In consideration of the above mentioned reduction, MAHB is agreeable to the Company's offer to transfer 10% equity interest in Segi Astana at no cost, and free of encumbrances to MAHB, as well as to enter into a put option agreement that grants MAHB the put option to exercise the sale of the said 10% equity interest back to the Group on the fifth anniversary of the put option agreement at a consideration of RM56,793,000 with an escalation of 6.90% per annum compounded for 5 years.

MAHB has also notified the Company that it is agreeable to the Company's request to make the 2021 lease commitment payments over four instalments, and that the instalment payments of the reduced lease commitment payable be made by the seventh day of every quarter, namely 7 April 2021, 7 July 2021, 7 October 2021, and the first instalment is to be made within 7 days from the Company's acceptance of the above mentioned terms.

The Company has informed MAHB of its acceptance of the above mentioned terms on 21 April 2021.

On 19 May 2021, MAHB via an official letter notified the Company that all negotiations with respect to the supplementary sub-lease agreement and matters related thereto are suspended due to the occurrence of certain material events.

A13 Effects Of Changes In The Composition Of The Group

There were no changes in the Group's composition during the current quarter ended 31 March 2021.

A14 Contingent Liabilities

Contingent liabilities of the Group as at 21 May 2021 (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 totalling RM661.718 million 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 RM2.05million. The changes in contingent liabilities since 31 December 2020 are as follows:-

(a) Bank Guarantees and Letters of credit	Bank Guarantees	Letters of credit
	RM'000	RM'000
Balance as at 31 December 2020	652,594	6,280
Extended/utilised during the financial period	32,962	-
Discharged/paid during the financial period	<u>(23,838)</u>	<u>(6,280)</u>
Balance as at 21 May 2021	<u>661,718</u>	<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.

A15 Contingent Assets

	31.3.2021
	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)	<u>731,897</u>

A16 Capital Commitments

There are no material commitments except for as follows:-

	31.3.2021
	RM'000
Approved and contracted for :	
Property, plant and equipment	68,797
Share of capital commitment of joint ventures	13
	<u>68,810</u>

A17 Significant Related Party Transactions

The Group had the following significant transactions with related parties during the period ended 31 March 2021:

	RM'000
Contract revenue from associates	122,436
Contract revenue from companies in which a director have interests	43,575
Interest receivable from joint ventures	5,259
Management fee receivable from joint ventures	1,499
Fees payable for retail related services to a company in which certain directors have interests	240
Management fees payable for retail related services to a joint venture	101
Lease expense payable to a company in which certain directors have interests	148

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

B1 Review of performance

For the current quarter under review, the Group recorded revenue and profit attributable to equity holders of RM444 million and RM65 million respectively, as compared to the preceding year corresponding quarter's revenue and loss attributable to equity holders of RM363 million and RM0.017 million respectively.

The Engineering and Construction segment continues to be the Group's main contributor of revenue, accounting for 52% of the Group's consolidated revenue. The Property Development and Property Investment & Management segments contributed RM177 million and RM37 million respectively, representing approximately 40% and 8% of the Group's consolidated revenue.

Engineering and Construction

For the current quarter ended 31 March 2021, this segment recorded revenue and operating profit of RM231 million and RM57 million, as compared to RM241 million and RM7 million reported in the preceding year corresponding quarter. Higher operating profit in the current quarter was mainly due to reversal of accrual on the unfavourable arbitral award amounting to RM48 million as a result of lower final settlement of the award.

Property Development

Revenue and operating profit from this segment for the current quarter under review were higher at RM177 million (2020: RM74 million) and RM77million (2020: RM24 million) respectively. The higher revenue and operating profit were mainly due to the sale of undeveloped lands during the period under review.

Property Investment and Management

The Property Investment and Management segment recorded lower revenue and operating profit of RM37 million (2020: RM48 million) and RM18 million (2020: RM22 million) respectively. The lower revenue and operating profit were largely due to business disruptions caused by the Covid-19 pandemic and the MCO imposed by the Government.

The Group reported basic earnings per share at 4.66 sen as compared to nil earnings per share recorded in the preceding 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 RM444 million and RM65 million, respectively, as compared to the immediate preceding quarter's revenue and loss of RM543 million and RM223 million.

B3 Profit for the period

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.3.2021 RM'000	31.3.2020 RM'000	31.3.2021 RM'000	31.3.2020 RM'000
Profit for the period is arrived at after crediting/ (charging):				
Interest income	5,285	5,617	5,285	5,617
Interest expense and sukuk profit	(28,782)	(32,571)	(28,782)	(32,571)
Depreciation & amortisation	(5,858)	(5,101)	(5,858)	(5,101)
Property, plant and equipment written off	(303)	-	(303)	-
Allowance for expected credit losses of receivables	(280)	(808)	(280)	(808)
Gain on disposal of property, plant and equipment	518	388	518	388
Unrealised gain on foreign exchange	190	1,733	190	1,733

B4 Prospects For The Financial Year 2021

Malaysia's Gross Domestic Product is expected to recover and will be supported by resumption of global and domestic economic activities, normalisation of labour market conditions, gradual improvement in consumer spending, continuation of large infrastructure projects, continued support from the government's targeted policies and vaccine rollout. (Source: BNM Quarterly Bulletin – Fourth Quarter 2020, Bank Negara Malaysia)

The Group is optimistic that the rollout of vaccines will eventually lead to the achievement of herd immunity, thereby underpinning the global and local economic recovery and supporting the safe reopening of borders. In the meantime, the surge in local infections is causing disruptions and uncertainties to the work and business volume of the Group.

Nevertheless, the Group's Engineering and Construction Division will continue to focus on project execution, whilst pursuing new opportunities for engineering and construction jobs to replenish our order book. The Property Development Division and Property Investment and Management Division expect the rollout of vaccines in 2021 under the National Covid-19 Immunisation Programme to lift market sentiments and stimulate the demand for our property development offers and launches. The eventual easing of travel restrictions coupled with renewed consumer confidence and pent-up consumer demand are anticipated to revitalise the five retail malls under the Group's management, in particular the airport malls as well as the hotels and business aviation services.

The Group will continue to prioritise the safety and well-being of our employees, customers and business associates as well as the general public and communities in which we operate.

B5 Variance of Actual Profit From Forecast Profit

Not applicable to the Group.

B6 Taxation

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
	RM'000	RM'000	RM'000	RM'000
Taxation comprises:				
Income tax				
- current financial period	21,945	7,553	21,945	7,553
Deferred taxation	1,665	1,015	1,665	1,015
	<u>23,610</u>	<u>8,568</u>	<u>23,610</u>	<u>8,568</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 ended 31 March 2021 is lower than the statutory tax rate.

The Group's effective tax rate (excluding the results of associates and joint ventures which are equity accounted net of tax) for the preceding year corresponding quarter ended 31 March 2020 were higher than the statutory tax rate mainly due to certain expenses not deductible for tax purposes.

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 31.3.2021 RM'000	As at 31.12.2020 RM'000
Long Term Bank Borrowings		
<u>Secured:-</u>		
Long term loans	494,183	537,270
<u>Unsecured:-</u>		
Sukuk Murabahah	1,210,000	1,210,000
	<u>1,704,183</u>	<u>1,747,270</u>
Short Term Bank Borrowings		
<u>Secured :-</u>		
Revolving credit	444,748	459,186
Term loans	166,389	141,010
	<u>611,137</u>	<u>600,196</u>
<u>Unsecured :-</u>		
Banker's acceptance	34,042	22,627
Bank overdraft	1,528	460
Revolving credit	391,500	386,500
Sukuk Murabahah	200,000	200,000
	<u>627,070</u>	<u>609,587</u>
	<u>1,238,207</u>	<u>1,209,783</u>
Total Bank Borrowings	<u>2,942,390</u>	<u>2,957,053</u>

Key:

Sukuk Murabahah-Sukuk issued under the Company's RM1.5 billion Sukuk Murabahah Programme

B9 Material Litigation

Save as disclosed below, there is no material litigation pending from 31 December 2020 (being the date of the last annual statement of financial position) to 21 May 2021 (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 had 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 dated 30 April 2019 (“the 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 (“SJC”). Both WCTB Dubai Branch’s application for the recognition of the Award and Meydan’s application to annul the Award were accordingly referred to the SJC. On 12 January 2021 WCTB received notification from its solicitors in Dubai that the SJC had issued its decision upholding the Dubai Court of Appeal’s order dated 30 April 2019 recognising the Award and dismissing Meydan’s challenges against both the Order and the Award (“Decision”). Subsequent thereto, Meydan filed a petition to the SJC to re-examine its Decision (“Petition”), which Petition is now on-going. WCTB will continue to pursue its legal rights in respect of the Award including opposing the Petition and enforcing the Award.

* Based on exchange rate as at 8 July 2015

- (b) Segi Astana Sdn. Bhd. (“SASB”), a joint venture of WCTL, 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, 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”).

After completing the arbitral proceedings in respect of MAHB’s Claim, SASB had on 2 April 2021, received the Arbitrator’s final award dated 31 March 2021, where the Arbitrator had issued the following orders (as subsequently corrected via the Arbitrator’s corrective order dated 23 April 2021):

- (i) A declaration that fixed monthly charges (“FMC”) for chilled water for the cooling system of the KLIA-2 Integrated Complex at the rate of RM958,849.33 per month is payable by SASB to MAHB’s privatized chilled water supplier, Airport Cooling Energy Supply Sdn Bhd (“ACES”) on a monthly basis for the period from 2.5.2014 to September 2020 (amounting to RM73,832,398.41);
- (ii) An order for specific performance of SASB’s obligations under clause 8.1(d) of the Concession Agreement for payment of the FMC by SASB to ACES from 2.5.2014 to September 2020 (amounting to RM73,832,398.41);
- (iii) Consequent to (ii) above, SASB to pay RM73,832,398.41 to ACES;
- (iv) SASB to pay MAHB RM894,072 for legal, arbitral and other related costs incurred; and
- (v) SASB to pay 5% per annum interest on all sums payable by SASB to MAHB.

B9 Material Litigation (Contd')

- (b) In addition to the above, the Arbitrator also made the following ruling:
- (vi) All claims by MAHB against WCTB are dismissed;
 - (vii) No late payment interest is payable on the amount of RM73,832,398.41 payable by SASB to ACES.

Pursuant to the receipt of further legal advice on the above final award in respect of the MAHB's Claim and in accordance thereto, SASB has filed an application at the High Court of Malaya to challenge the validity of the final award, which application is now on-going.

The arbitral proceedings in respect of SASB's Claim is, as at the date of this report, also still on-going.

B10 Dividends

	Paid in Year Ending 31 Dec 2021 RM'000	Paid in Year Ended 31 Dec 2020 RM'000
<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	-	11,793

On 17 March 2021, the Board of Directors of the Company announced that the Board has resolved to recommend final share dividend via a distribution of treasury shares on the basis of one (1) treasury share for every one hundred (100) existing ordinary shares held in the Company on 30 June 2021 in respect of the financial year ended 31 December 2020, subject to the shareholders' approval being obtained at the Company's forthcoming Tenth Annual General Meeting ("Share Dividend").

The entitlement date for the aforesaid Share Dividend has been fixed on 30 June 2021 and a Depositor shall qualify for entitlement only in respect of:-

- i) Shares transferred into the Depositor's Securities Account before 4.30 p.m. on 30 June 2021 in respect of ordinary transfer; and
- ii) Shares bought on the Bursa Malaysia on a cum entitlement basis according to the Rules of Bursa Malaysia.

The treasury shares to be distributed under the Share Dividend have been credited into the entitled Depositors' Securities Accounts maintained with Bursa Depository on 22 July 2021.

B11 Earning Per Share- Basic/Diluted

	Quarter and Year-To-Date Ended 31.3.2021
(a) Basic Earnings Per Share	
Profit attributable to the equity holders of the Company (RM'000)	65,400
Weighted average number of ordinary shares in issue, excluding treasury shares ('000)	1,403,209
Basic earnings per share (sen)	4.66
(b) Fully Diluted Earnings Per Share	

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

Date: 27 May 2021