



**WCT HOLDINGS BERHAD**

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

**Date : 26 August 2021**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 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 30 JUNE 2021**

( The figures have not been audited )

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.6.2021	30.6.2020	30.6.2021	30.6.2020
	RM'000	RM'000	RM'000	RM'000
Revenue	435,620	374,954	879,905	738,036
Cost of sales	(352,869)	(311,643)	(667,536)	(591,907)
<b>Gross profit</b>	<u>82,751</u>	<u>63,311</u>	<u>212,369</u>	<u>146,129</u>
Other income	8,255	11,988	66,073	23,214
Other expenses	(7,057)	(9,404)	(15,524)	(23,702)
Administrative expenses	(24,787)	(24,122)	(51,528)	(50,976)
Finance costs	(28,984)	(30,979)	(57,766)	(63,550)
Share of profit after tax of associates	1,264	2,344	1,404	5,940
Share of loss after tax of joint ventures	(4,778)	(5,180)	(17,060)	(3,688)
	<u>26,664</u>	<u>7,958</u>	<u>137,968</u>	<u>33,367</u>
Income tax	(11,737)	(2,346)	(35,347)	(10,914)
Profit for the period	<u>14,927</u>	<u>5,612</u>	<u>102,621</u>	<u>22,453</u>
Attributable to:				
Equity holders of the Company	16,122	7,421	81,522	7,404
Holders of Perpetual Sukuk	-	-	23,958	18,178
Non-controlling interest	(1,195)	(1,809)	(2,859)	(3,129)
Profit for the period	<u>14,927</u>	<u>5,612</u>	<u>102,621</u>	<u>22,453</u>
Attributable to equity holders of the Company :				
Basic earnings per share (sen)	<u>1.15</u>	<u>0.53</u>	<u>5.81</u>	<u>0.53</u>
Fully diluted earnings per share (sen)	<u>- *</u>	<u>- *</u>	<u>- *</u>	<u>- *</u>

\* 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 30 JUNE 2021**

( The figures have not been audited )

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.6.2021	30.6.2020	30.6.2021	30.6.2020
	RM'000	RM'000	RM'000	RM'000
Profit for the period	14,927	5,612	102,621	22,453
Other comprehensive (loss)/income: Currency translation differences arising from consolidation	(1,220)	(9,527)	9,174	14,109
Other comprehensive (loss)/income for the period, net of tax	(1,220)	(9,527)	9,174	14,109
Total comprehensive profit/(loss) for the period	13,707	(3,915)	111,795	36,562
Total comprehensive profit/(loss) for the period attributable to :				
Equity holders of the Company	14,895	(2,011)	94,649	21,292
Holder of Perpetual Sukuk	-	-	23,958	18,178
Non-controlling interest	(1,188)	(1,904)	(6,812)	(2,908)
	13,707	(3,915)	111,795	36,562

(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 30 JUNE 2021**

	<b>AS AT 30.6.2021 UNAUDITED RM'000</b>	<b>AS AT 31.12.2020 AUDITED RM'000</b>
<b>ASSETS</b>		
<b><u>Non-current assets</u></b>		
Property, plant and equipment	330,132	334,471
Right-of-use assets:		
- Property, plant and equipment	44,203	44,388
- Investment properties	126,661	129,109
Intangible assets	113,995	117,639
Inventory properties under development	1,690,660	1,747,525
Investment properties	1,730,366	1,730,366
Investment in associates	152,524	153,580
Investment in joint ventures	222,331	239,619
Trade receivables	450,735	459,665
Contract assets	230,953	224,669
Other receivables	327,024	319,241
Deferred tax assets	10,849	10,384
	<u>5,430,433</u>	<u>5,510,656</u>
<b><u>Current assets</u></b>		
Inventory properties under development	276,322	207,462
Inventories	424,156	463,260
Trade receivables	908,877	651,549
Contract assets	456,443	440,904
Other receivables	260,215	208,208
Due from related parties	563,005	552,781
Tax recoverable	27,594	24,254
Cash and bank balances	277,703 *	526,495
	<u>3,194,315</u>	<u>3,074,913</u>
Assets classified as held for sale	<u>-</u>	<u>14,584</u>
<b>TOTAL ASSETS</b>	<b><u>8,624,748</u></b>	<b><u>8,600,153</u></b>
<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	(1,504,542)	(1,512,183)
Retained earnings	1,296,570	1,209,562
Treasury shares, at costs	(5,336)	(5,336)
	<u>2,999,488</u>	<u>2,904,839</u>
<b>Perpetual Sukuk</b>	<b>818,423</b>	<b>818,081</b>
<b>Non-controlling interest</b>	<b>(48,962)</b>	<b>(42,150)</b>
<b>Total equity</b>	<b><u>3,768,949</u></b>	<b><u>3,680,770</u></b>

\* The adjusted cash & bank balances as at 30 June 2021 is approximately RM596,883,000 with the receipt of RM319,180,000 Initial Payment from Meydan on 16 July 2021.

**WCT HOLDINGS BERHAD**

Registration Number : 201101002327 (930464-M)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021****(Cont'd.)**

	<b>AS AT 30.6.2021 UNAUDITED RM'000</b>	<b>AS AT 31.12.2020 AUDITED RM'000</b>
<b>EQUITY AND LIABILITIES (Cont'd)</b>		
<b><u>Non-current liabilities</u></b>		
Trade payables	119,079	116,543
Contract liabilities	70,651	69,127
Other payables	206,520	200,082
Lease commitment payable	89,591	97,949
Hire purchase and lease liabilities	176,953	188,042
Borrowings	1,513,261	1,747,270
Deferred tax liabilities	113,003	110,239
	2,289,058	2,529,252
<b><u>Current liabilities</u></b>		
Trade payables	588,580	780,274
Contract liabilities	182,663	101,473
Other payables	261,377	260,394
Lease commitment payable	4,141	4,067
Hire purchase and lease liabilities	27,897	30,349
Due to related parties	42	743
Borrowings	1,479,921	1,209,783
Tax payable	22,120	3,048
	2,566,741	2,390,131
<b>Total Liabilities</b>	4,855,799	4,919,383
<b>TOTAL EQUITY AND LIABILITIES</b>	8,624,748	8,600,153
Net asset per share (RM)	2.14	2.07

(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.)

**WCT HOLDINGS BERHAD**

Registration Number : 201101002327 (930464-M)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2021**

	Attributable to Equity Holders of the Company											Perpetual Sukuk RM'000	Non-controlling interest RM'000	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			
<i>Preceding year corresponding period</i>														
<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
(Loss)/profit for the period	-	-	-	-	-	-	-	-	-	7,404	7,404	18,178	(3,129)	22,453
Other comprehensive income	-	-	-	-	13,888	-	-	-	-	-	13,888	-	221	14,109
<b>Total comprehensive (loss)/income for the period</b>	-	-	-	-	13,888	-	-	-	-	7,404	21,292	18,178	(2,908)	36,562
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	-	-	-	-	-	-	-	-	-	-	-	204,500	-	204,500
Transfer within reserve	-	-	-	(2)	-	-	-	-	-	2	-	-	-	-
Amortization of transaction cost	-	-	-	-	-	-	-	-	-	-	-	461	-	461
<b>At 30 June 2020</b>	3,212,796	(14,459)	(1,554,791)	3	(57,457)	61,646	9,638	55,898	1,438	1,441,975	3,156,687	817,626	(36,429)	3,937,884
<i>Current year to date</i>														
<b>At 1 January 2021</b>	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	-	-	-	-	-	-	-	-	-	81,522	81,522	23,958	(2,859)	102,621
Other comprehensive profit/(loss)	-	-	-	-	13,127	-	-	-	-	-	13,127	-	(3,953)	9,174
<b>Total comprehensive income/(loss) for the period</b>	-	-	-	-	13,127	-	-	-	-	81,522	94,649	23,958	(6,812)	111,795
Distribution to holders of Perpetual Sukuk	-	-	-	-	-	-	-	-	-	-	-	(23,958)	-	(23,958)
Transfer within reserve	-	-	-	(1)	-	-	(5,485)	-	-	5,486	-	-	-	-
Amortization of transaction cost	-	-	-	-	-	-	-	-	-	-	-	342	-	342
<b>At 30 June 2021</b>	3,212,796	(5,336)	(1,554,791)	1	(70,912)	61,646	3,797	54,279	1,438	1,296,570	2,999,488	818,423	(48,962)	3,768,949

(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.)

**WCT HOLDINGS BERHAD**

Registration Number : 201101002327 (930464-M)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2021**

	Year-To-Date Ended	
	30.6.2021 UNAUDITED RM'000	30.6.2020 UNAUDITED RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	137,968	33,367
Adjustments for:-		
Non-cash items	11,345	12,398
Non-operating items - financing	41,265	45,140
Non-operating items - investing	17,496	2,973
Operating profit before working capital changes	<u>208,074</u>	<u>93,878</u>
Net changes in assets	(268,653)	19,107
Net changes in liabilities	(107,213)	16,736
Cash flows generated from operating activities	<u>(167,792)</u>	<u>129,721</u>
Taxation paid	(17,317)	(11,316)
Net cash (used in)/generated from operating activities	<u>(185,109)</u>	<u>118,405</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	16,501	18,411
Property, plant and equipment	(13,382)	(9,379)
Dividend received from associates	3,771	6,032
Dividend received from joint ventures	-	10,394
Redemption of cumulative redeemable preference shares from associates	-	5,313
Withdrawal of deposits with licensed banks	10,127	4,599
Net cash generated from investing activities	<u>17,017</u>	<u>35,370</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(69,976)	(65,984)
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	(20,579)	(23,363)
Net proceed from/(repayment of) bank borrowings	36,590	(37,381)
Net cash (used in)/generated from financing activities	<u>(77,923)</u>	<u>52,621</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR	(246,015)	206,396
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	469,287	606,572
Foreign exchange differences	7,810	14,005
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD *	<u>231,082</u>	<u>826,973</u>

\* Cash & cash equivalents excludes deposits with licensed bank (restricted) amounting to RM46,589,321 and deposits with maturities more than 3 months amounting to RM32,395.

**(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 ("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 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**

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
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 30 June 2021.

**A6 Changes In Estimates**

There were no changes in estimates that have had any material effect during the current quarter ended 30 June 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 30 June 2021.

**A8 Dividends**

Please refer to Explanatory Note B10.

**A9 Segmental Information**

	<b>Investment holding, Engineering and construction RM'000</b>	<b>Property development RM'000</b>	<b>Property investment and management RM'000</b>	<b>Unallocated RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>6 months period ended 30 June 2021</b>						
<b>Revenue</b>						
External	570,114	232,702	77,089	-	-	879,905
Inter segment	71,996	-	1,790	-	(73,786)	-
	<u>642,110</u>	<u>232,702</u>	<u>78,879</u>	<u>-</u>	<u>(73,786)</u>	<u>879,905</u>
<b>Segment results</b>						
Profit from operations	81,617	91,966	37,807	-	-	211,390
Share of results of associates	(253)	960	-	697	-	1,404
Share of results of joint ventures	941	(4,708)	(13,293)	-	-	(17,060)
Finance costs						(57,766)
Taxation						(35,347)
Profit for the financial period						<u>102,621</u>
Profit attributable to :-						
- Equity holders of the Company						81,522
- Holders of Perpetual Sukuk						23,958
- Non-controlling interest						(2,859)
						<u>102,621</u>
<b>6 months period ended 30 June 2020</b>						
<b>Revenue</b>						
External	507,145	143,501	87,390	-	-	738,036
Inter segment	62,053	-	1,790	-	(63,843)	-
	<u>569,198</u>	<u>143,501</u>	<u>89,180</u>	<u>-</u>	<u>(63,843)</u>	<u>738,036</u>
<b>Segment results</b>						
Profit from operations	3,891	49,465	41,309	-	-	94,665
Share of results of associates	62	1,426	-	4,452	-	5,940
Share of results of joint ventures	401	(4,680)	591	-	-	(3,688)
Finance costs						(63,550)
Taxation						(10,914)
Profit for the financial period						<u>22,453</u>
Profit attributable to :-						
- Equity holders of the Company						7,404
- Holders of Perpetual Sukuk						18,178
- Non-controlling interest						(3,129)
						<u>22,453</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 30 June 2021.

Jubilant Courtyard Sdn Bhd, an indirect wholly-owned subsidiary of the Company, had on 16 August 2021 entered into a sale and purchase agreement ("SPA") with MDCon (Simpang Empat) Sdn Bhd for the proposed disposal of 12 pieces of vacant freehold lands all located in Serendah, Daerah Ulu Selangor, Negeri Selangor Darul Ehsan at a total cash consideration of RM214,296,500. Barring unforeseen circumstances, the Proposed Disposal is expected to be completed within 9 months from the date of the SPA.

#### A13 Effects Of Changes In The Composition Of The Group

There were no changes in the Group's composition during the current quarter ended 30 June 2021.

#### A14 Contingent Liabilities

Contingent liabilities of the Group as at 20 August 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 and letters of credits totalling RM662.708 million and RM5.740 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 RM2.03million. The changes in contingent liabilities since 31 December 2020 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 2020	652,594	6,280
Extended/utilised during the financial period	72,979	5,740
Discharged/paid during the financial period	(62,865)	(6,280)
Balance as at 20 August 2021	<u>662,708</u>	<u>5,740</u>

- (b) The tax matters under appeal of the Group totalling RM2.03 million are in respect of corporation tax and

**A15 Contingent Assets**

	<b>30.6.2021</b>
	<b>RM'000</b>
Contingent assets arising from the Settlement with Meydan (Note B9 Material Litigation)	<u>150,835</u>

**A16 Capital Commitments**

There are no material commitments except for as follows:-

	<b>30.6.2021</b>
	<b>RM'000</b>
Approved and contracted for :	
Investment properties	536
Property, plant and equipment	60,717
Share of capital commitment of joint ventures	69
	<u>61,322</u>

**A17 Significant Related Party Transactions**

The Group had the following significant transactions with related parties during the period ended 30 June 2021:

	<b>RM'000</b>
Contract revenue from associates	162,136
Contract revenue from companies in which a director have interests	186,211
Contract costs to a company in which a director have interests	25,482
Interest receivable from joint ventures	10,773
Management fee receivable from joint ventures	2,987
Gross dividend received from associates	3,771
Fees payable for retail related services to a company in which certain directors have interests	300
Management fees payable for retail related services to a joint venture	203
Lease expense payable to companies in which certain directors have interests	<u>296</u>

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

### **B1 Review of performance**

For the current quarter under review, the Group recorded revenue and profit attributable to equity holders of RM436 million and RM16 million respectively, as compared to the preceding year corresponding quarter's revenue and profit attributable to equity holders of RM375 million and RM7 million respectively.

The Engineering and Construction segment continues to be the Group's main contributor of revenue, accounting for 78% of the Group's consolidated revenue. The Property Development and Property Investment & Management segments contributed RM56 million and RM40 million respectively, representing approximately 13% and 9% of the Group's consolidated revenue.

For the current year to date, the Group reported higher revenue of RM880 million, which is 19% above RM738 million registered in the preceding year corresponding period. The Group's profit attributable to equity holders leapt to RM82 million as compared to the preceding year corresponding period's profit of RM7 million.

#### Engineering and Construction

For the current year to date, this segment recorded revenue and operating profit of RM570 million and RM82 million, as compared to RM507 million and RM4 million reported in the preceding year corresponding period. Higher operating profit in the current period 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 and downward revision of margin in the preceding year corresponding period.

#### Property Development

Revenue and operating profit from this segment for the current period under review were higher at RM233 million (2020: RM144 million) and RM92million (2020: RM49 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 RM77 million (2020: RM87 million) and RM38 million (2020: RM41 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 5.81 sen as compared to 0.53 sen recorded in the preceding year corresponding period.

## B2 Comparison With Immediate Preceding Quarter's Results

For the current period under review, the Group recorded revenue and profit attributable to equity holders of the Company of RM436 million and RM16 million, respectively, as compared to the immediate preceding period's revenue and profit of RM444 million and RM65 million.

## B3 Profit for the period

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.6.2021 RM'000	30.6.2020 RM'000	30.6.2021 RM'000	30.6.2020 RM'000
Profit for the period is arrived at after crediting/ (charging):				
Interest income	4,833	5,553	10,118	11,170
Interest expense and sukuk profit	(28,984)	(30,979)	(57,766)	(63,550)
Depreciation & amortisation	(5,752)	(6,890)	(11,610)	(11,991)
Property, plant and equipment written off	(798)	-	(1,101)	-
Allowance for expected credit losses of receivables	967	(1,316)	687	(2,124)
Gain on disposal of property, plant and equipment	91	(331)	609	57
Unrealised gain on foreign exchange	(203)	369	(13)	2,102

#### **B4 Prospects For The Financial Year 2021**

Bank Negara Malaysia has on 13 August 2021 revised the full year 2021 Gross Domestic Product growth for Malaysia, to be between 3.0% and 4.0%, after taking into account the reimposition of nationwide containment measures. Factors that would continue to support growth in the second half of the year, include the allowance for essential economic sectors to operate under Phase 1 of the National Recovery Plan, improving external demand, rapid vaccination progress, the continuous policy support via the various stimulus programmes, as well as the continued investment in large infrastructure projects. The central bank expects growth to accelerate in 2022, supported by the reopening of most economic sectors, as well as positive spillovers from continued improvement in external demand.

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	
	30.6.2021	30.6.2020	30.6.2021	30.6.2020
	RM'000	RM'000	RM'000	RM'000
Taxation comprises:				
Income tax				
- current financial period	12,206	13,292	34,151	20,845
- prior years/ periods	(1,104)	2,481	(1,104)	2,481
Deferred taxation	635	(13,427)	2,300	(12,412)
	<u>11,737</u>	<u>2,346</u>	<u>35,347</u>	<u>10,914</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 cumulative quarter ended 30 June 2021 and preceding year corresponding quarter ended 30 June 2020 were 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 current quarter ended 30 June 2021 and the preceding year cumulative quarter ended 30 June 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:-

	<b>As at 30.6.2021 RM'000</b>	<b>As at 31.12.2020 RM'000</b>
<b>Long Term Bank Borrowings</b>		
<u>Secured:-</u>		
Long term loans	503,261	537,270
<u>Unsecured:-</u>		
Sukuk Murabahah	1,010,000	1,210,000
	<u>1,513,261</u>	<u>1,747,270</u>
<b>Short Term Bank Borrowings</b>		
<u>Secured :-</u>		
Revolving credit	510,038	459,186
Term loans	134,545	141,010
	<u>644,583</u>	<u>600,196</u>
<u>Unsecured :-</u>		
Banker's acceptance	35,838	22,627
Bank overdraft	-	460
Revolving credit	399,500	386,500
Sukuk Murabahah	400,000	200,000
	<u>835,338</u>	<u>609,587</u>
	<u>1,479,921</u>	<u>1,209,783</u>
<b>Total Bank Borrowings</b>	<u>2,993,182</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 20 August 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”), 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 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 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, 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.

## **B9 Material Litigation (Contd')**

Consequently, the Arbitration Tribunal awarded to and in favor of WCTB Dubai, and ordered Meydan to pay WCTB Dubai 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]) (DRC Award Amount") being the aggregate of the following:

- (i) Principal sum of AED1,117,802,000 (approximately \*RM1,161,060,937) ("Principal Sum");
- (ii) Arbitration costs of AED8,197,000 (approximately \*RM8,514,224); and
- (iii) Legal costs of AED26,652,000 (approximately \*RM27,683,432).

WCTB Dubai 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's application for the recognition of the Award and Meydan's application to annul the Award was then referred to the SJC accordingly. On 12 January 2021, WCTB Dubai received the SJC's decision dated 10 January 2021 where the SJC dismissed Meydan's application to annul the Award, dismissed Meydan's opposition of WCTB Dubai's application to recognise the Award and upheld the Court of Appeal's decision dated 1 May 2019 recognising the Award ("SJC's Decision"). WCTB Dubai then proceeded with enforcement proceedings through the Dubai civil courts. On or about 19 April 2021, Meydan filed a petition to the SJC, requesting the SJC re-examine the SJC's Decision.

On 13 July 2021, the Company and Meydan entered into a settlement agreement ("Settlement Agreement") whereby Meydan will pay to the Company and the Company will accept a sum of AED726,571,000 (approximately RM828,248,000<sup>^</sup>) ("Settlement Sum") being a sum equivalent to 65% of the Principal Sum, in full and final settlement of all sums due and payable under the Award. The Settlement Sum is to be paid in the following manner:

- (a) A sum of AED279,450,000 (approximately RM318,557,000<sup>^</sup>, being a sum equivalent to 25% of the Principal Sum on or before 20 July 2021 ("Initial Payment"); and
- (b) The balance AED447,121,000 (approximately RM509,691,000<sup>^</sup>), being a sum equivalent to 40% of the Principal Sum ("Balance Settlement Sum"), in 12 equal quarterly instalments of AED37,260,000 (approximately RM42,474,000<sup>^</sup>) each commencing from 20 October 2021.

Simultaneously with the execution of the Settlement Agreement and in accordance with the terms therein, Meydan has delivered a promissory note executed by Meydan in favour of the Company, unconditionally and irrevocably promising to pay on demand the Balance Settlement Sum.

## **B9 Material Litigation (Contd')**

On 16 July 2021, the Company received a sum of AED279,450,000 (approximately RM319,180,000\*\*) being the Initial Payment in accordance with the Settlement Agreement dated 13 July 2021. With the receipt of the Initial Payment, the Settlement Agreement has become unconditional and all sums other than the Settlement Sum which would otherwise be due under the Award is deemed waived and discharged by the Company and both WCTB Dubai and Meydan will take steps to withdraw all pending proceedings against each other in relation to the Contract and/or the Award.

\* Based on exchange rate as at 8 July 2015

^ Based on exchange rate as at 13 July 2021

\*\* Based on exchange rate as at 15 July 2021

- (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 ("SASB's Claim"). 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 ("Final Award"), 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. Concurrently, MAHB had also filed an application to the High Court of Malaya for recognition of the Final Award. Both applications were heard together by the High Court and parties are currently awaiting the High Court's decision on the same.

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

## B10 Dividends

	<b>Paid in Year Ending 31 Dec 2021 RM'000</b>	<b>Paid in Year Ended 31 Dec 2020 RM'000</b>
<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 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**

	<b>Quarter Ended 30.6.2021</b>	<b>Year-To-Date Ended 30.6.2021</b>
<b>(a) Basic Earnings Per Share</b>		
Profit attributable to the equity holders of the Company (RM'000)	16,122	81,522
Weighted average number of ordinary shares in issue, excluding treasury shares ('000)	1,403,209	1,403,209
Basic earnings per share (sen)	1.15	5.81

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

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

**Date: 26 August 2021**