



WCT HOLDINGS BERHAD

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

Date : 26 May 2022

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2022**

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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 2022

(The figures have not been audited)

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.3.2022	31.3.2021	31.3.2022	31.3.2021
	RM'000	RM'000	RM'000	RM'000
Revenue	604,723	444,285	604,723	444,285
Cost of sales	(487,739)	(314,667)	(487,739)	(314,667)
Gross profit	116,984	129,618	116,984	129,618
Other income	12,793	57,818	12,793	57,818
Other expenses	(7,096)	(8,467)	(7,096)	(8,467)
Administrative expenses	(29,395)	(26,741)	(29,395)	(26,741)
Finance costs	(27,321)	(28,782)	(27,321)	(28,782)
Share of profit after tax of associates	2,907	140	2,907	140
Share of loss after tax of joint ventures	(7,711)	(12,282)	(7,711)	(12,282)
	61,161	111,304	61,161	111,304
Income tax	(7,825)	(23,610)	(7,825)	(23,610)
Profit for the period	53,336	87,694	53,336	87,694
Attributable to:				
Equity holders of the Company	30,558	65,400	30,558	65,400
Holders of Perpetual Sukuk	23,958	23,958	23,958	23,958
Non-controlling interest	(1,180)	(1,664)	(1,180)	(1,664)
Profit for the period	53,336	87,694	53,336	87,694
Attributable to equity holders of the Company :				
Basic earnings per share (sen)	2.16	4.66	2.16	4.66
Fully diluted earning per share (sen)	- *	- *	- *	- *

* 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 2021 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 2022

(The figures have not been audited)

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.3.2022	31.3.2021	31.3.2022	31.3.2021
	RM'000	RM'000	RM'000	RM'000
Profit for the period	53,336	87,694	53,336	87,694
Other comprehensive income:				
Currency translation differences arising from consolidation	3,189	10,394	3,189	10,394
Other comprehensive income for the period, net of tax	3,189	10,394	3,189	10,394
Total comprehensive income for the period	56,525	98,088	56,525	98,088
Total comprehensive income for the period attributable to :				
Equity holders of the Company	33,708	79,754	33,708	79,754
Holders of Perpetual Sukuk	23,958	23,958	23,958	23,958
Non-controlling interest	(1,141)	(5,624)	(1,141)	(5,624)
	56,525	98,088	56,525	98,088

(The consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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 2022

	AS AT 31.3.2022 UNAUDITED RM'000	AS AT 31.12.2021 AUDITED RM'000
ASSETS		
<u>Non-current assets</u>		
Property, plant and equipment	347,096	339,812
Right-of-use assets:		
- Property, plant and equipment	39,504	40,350
- Investment properties	123,016	124,204
Intangible assets	108,639	110,275
Inventory properties under development	1,520,977	1,618,027
Investment properties	1,719,518	1,722,515
Investment in associates	159,139	155,914
Investment in joint ventures	255,372	262,838
Trade receivables	363,369	245,849
Other receivables	244,844	281,467
Deferred tax assets	6,147	6,394
	<u>4,887,621</u>	<u>4,907,645</u>
<u>Current assets</u>		
Inventory properties under development	325,298	365,775
Inventories	403,190	422,673
Trade receivables	967,159	869,305
Contract assets	378,015	411,128
Other receivables	471,508	409,366
Due from related parties	538,039	516,798
Tax recoverable	33,093	31,633
Cash and bank balances	365,112	283,691
	<u>3,481,414</u>	<u>3,310,369</u>
Assets classified as held for sale	<u>10,905</u>	<u>10,956</u>
TOTAL ASSETS	<u>8,379,940</u>	<u>8,228,970</u>
EQUITY AND LIABILITIES		
<u>Equity attributable to equity holders of the Company</u>		
Share capital	3,212,796	3,212,796
Reserves	(1,526,848)	(1,529,998)
Retained earnings	1,337,897	1,307,339
Treasury shares, at costs	(381)	(381)
	<u>3,023,464</u>	<u>2,989,756</u>
Perpetual Sukuk	818,936	818,765
Non-controlling interest	(48,440)	(47,299)
Total equity	<u>3,793,960</u>	<u>3,761,222</u>

WCT HOLDINGS BERHAD

Registration Number : 201101002327 (930464-M)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022
(Cont'd.)

	AS AT 31.3.2022 UNAUDITED RM'000	AS AT 31.12.2021 AUDITED RM'000
EQUITY AND LIABILITIES (Cont'd)		
<u>Non-current liabilities</u>		
Trade payables	148,336	98,562
Contract liabilities	8,525	8,525
Other payables	25,357	25,267
Lease commitment payable	83,134	93,549
Hire purchase and lease liabilities	162,280	167,284
Borrowings	1,089,074	1,097,057
Deferred tax liabilities	113,723	112,719
	<u>1,630,429</u>	<u>1,602,963</u>
<u>Current liabilities</u>		
Trade payables	618,158	703,012
Contract liabilities	113,319	81,708
Other payables	226,968	210,565
Lease commitment payable	4,479	4,401
Hire purchase and lease liabilities	22,054	23,521
Due to related parties	325	273
Borrowings	1,874,005	1,741,318
Tax payable	96,243	99,987
	<u>2,955,551</u>	<u>2,864,785</u>
Total Liabilities	<u>4,585,980</u>	<u>4,467,748</u>
TOTAL EQUITY AND LIABILITIES	<u>8,379,940</u>	<u>8,228,970</u>
Net asset per share (RM)	2.13	2.11

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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 2022

	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 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 income/(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
<i>Current year to date</i>														
At 1 January 2022	3,212,796	(381)	(1,554,791)	-	(101,915)	61,646	3,797	59,827	1,438	1,307,339	2,989,756	818,765	(47,299)	3,761,222
Profit/(loss) for the period	-	-	-	-	-	-	-	-	-	30,558	30,558	23,958	(1,180)	53,336
Other comprehensive income	-	-	-	-	3,150	-	-	-	-	-	3,150	-	39	3,189
Total comprehensive income/(loss) for the period	-	-	-	-	3,150	-	-	-	-	30,558	33,708	23,958	(1,141)	56,525
Distribution to holders of Perpetual Sukuk	-	-	-	-	-	-	-	-	-	-	-	(23,958)	-	(23,958)
Amortization of transaction cost	-	-	-	-	-	-	-	-	-	-	-	171	-	171
At 31 March 2022	3,212,796	(381)	(1,554,791)	-	(98,765)	61,646	3,797	59,827	1,438	1,337,897	3,023,464	818,936	(48,440)	3,793,960

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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
31 MARCH 2022**

	Year-To-Date Ended	
	31.3.2022 UNAUDITED RM'000	31.3.2021 UNAUDITED RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	61,161	111,304
Adjustments for:-		
Non-cash items	350	5,935
Non-operating items - financing	20,173	20,197
Non-operating items - investing	6,189	12,848
Operating profit before working capital changes	<u>87,873</u>	<u>150,284</u>
Net changes in assets	(50,766)	(71,035)
Net changes in liabilities	(12,998)	(78,528)
Cash flows generated from operating activities	<u>24,109</u>	<u>721</u>
Taxation paid	(11,778)	(10,187)
Net cash generated from/(used in) operating activities	<u>12,331</u>	<u>(9,466)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	7,148	8,584
Property, plant and equipment	(14,898)	(2,289)
Withdrawal of deposits with licensed banks	7,056	17,112
Net cash (used in)/generated from investing activities	<u>(694)</u>	<u>23,407</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(17,865)	(15,944)
Distribution to holders of Perpetual Sukuk	(23,958)	(23,958)
Payment of principal portion of lease liabilities	(8,897)	(10,200)
Net proceed from/(repayment of) bank borrowings	124,704	(15,731)
Net cash generated from/(used in) financing activities	<u>73,984</u>	<u>(65,833)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR	85,621	(51,892)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	222,077	469,287
Foreign exchange differences	2,856	7,656
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD *	<u>310,554</u>	<u>425,051</u>

* Cash & cash equivalents excludes deposits with licensed bank (restricted) amounting to RM54,525,515 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 2021 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 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 2021. 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 2021.

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 2021, except for the adoption of the following new Malaysian Financial Reporting Standards ("MFRSs") and Amendments to MFRSs with effect from 1 January 2022.

MFRSs and Amendments to MFRSs

Description	Effective for annual periods beginning on or after
MFRS 1, MFRS 9, MFRS 16, and MFRS 141: <i>Annual Improvements to MFRS Standards 2018–2020</i>	1 January 2022
Amendments to MFRS 3: <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116: <i>Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137: <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022

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 2021.

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 ended 31 March 2022.

A6 Changes In Estimates

There were no changes in estimates that have had any material effect during the current quarter ended 31 March 2022.

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 2022.

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 2022						
Revenue						
External	292,226	268,624	43,873	-	-	604,723
Inter segment	34,265	-	909	-	(35,174)	-
	<u>326,491</u>	<u>268,624</u>	<u>44,782</u>	<u>-</u>	<u>(35,174)</u>	<u>604,723</u>
Segment results						
Profit from operations	14,622	56,213	22,451	-	-	93,286
Share of results of associates	210	1,662	-	1,035	-	2,907
Share of results of joint ventures	370	(2,807)	(5,274)	-	-	(7,711)
Finance costs						(27,321)
Taxation						(7,825)
Profit for the financial period						<u>53,336</u>
Profit attributable to :-						
- Equity holders of the Company						30,558
- Holders of Perpetual Sukuk						23,958
- Non-controlling interest						(1,180)
						<u>53,336</u>
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						(1,664)
						<u>87,694</u>

A10 Non-current Assets Held for Sale

On 13 January 2022, WCT Construction Sdn Bhd, an indirect wholly-owned subsidiary of the Company, entered into a supplemental agreement with a third party for the redemption of 43 units of properties all located in Sabah for a total consideration of RM21,910,514.89 ("Consideration"). The Consideration will be settled over 24 monthly instalments commencing from January 2022.

A11 Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment has been brought forward without amendment from the previous audited financial statements as at 31 December 2021.

A12 Subsequent Material Events

There was no material event subsequent to the quarter ended 31 March 2022.

A13 Effects Of Changes In The Composition Of The Group

There were no material changes in the Group's composition during the current quarter ended 31 March 2022.

A14 Contingent Liabilities

Contingent liabilities of the Group as at 20 May 2022 (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 RM605.828 million and RM6.498 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 RM2.17 million. The changes in contingent liabilities since 31 December 2021 are as follows:-

(a) Bank Guarantees and Letters of credit	Bank Guarantees	Letters of credit
	RM'000	RM'000
Balance as at 31 December 2021	609,331	10,277
Extended/utilised during the financial period	900	3,349
Discharged/paid during the financial period	(4,403)	(7,128)
Balance as at 20 May 2022	<u>605,828</u>	<u>6,498</u>

(b) The tax matters under appeal of the Group totalling RM2.17 million are in respect of corporation tax and service tax of a foreign subsidiary.

A15 Contingent Assets

There were no contingent assets as at 31 March 2022.

A16 Capital Commitments

There are no material commitments except for as follows:-

	31.3.2022
	RM'000
Approved and contracted for :	
Property, plant and equipment	41,258

A17 Significant Related Party Transactions

The Group had the following significant transactions with related parties during the period ended 31 March 2022:

	RM'000
Contract revenue from associates	23,669
Contract revenue from companies in which a director have interests	135,358
Contract costs to a company in which a director have interests	17,084
Interest receivable from joint ventures	5,328
Management fee receivable from joint ventures	1,717
Fees payable for retail related services to a company in which certain directors have interests	150
Management fees payable for retail related services to a joint venture	101
Lease expense payable to companies in which certain directors have interests	148

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 RM605 million and RM31 million respectively, as compared to the preceding year corresponding quarter's revenue and profit attributable to equity holders of RM444 million and RM65 million respectively.

The Engineering and Construction segment continues to be the Group's main contributor of revenue, accounting for 48% of the Group's consolidated revenue. The Property Development and Property Investment & Management segments contributed RM269 million and RM44 million respectively, representing approximately 45% and 7% of the Group's consolidated revenue.

Engineering and Construction

For the current quarter, this segment recorded revenue and operating profit of RM292 million and RM15 million, as compared to RM231 million and RM57 million reported in the preceding year corresponding quarter. Higher operating profit in preceding year corresponding quarter were mainly attributable to the reversal of accrual of costs arising from settlement of arbitration award amounting to RM48 million.

Property Development

For the current quarter, this segment recorded revenue and operating profit of RM269 million and RM56 million, as compared to RM177 million and RM77 million reported in the preceding year corresponding quarter. The higher revenue was mainly due to increase in the revenue from sale of vacant lands of RM214 million in current quarter as compared to RM135 million in the preceding year corresponding quarter. Lower operating profit was mainly attributable to lower profit recognised from the disposal of vacant lands in the current quarter. (Q122: RM56 million ; Q121:RM76 million)

Property Investment and Management

The Property Investment and Management segment's revenue and operating profit in the current quarter grew 19% and 22% to RM44 million and RM22 million respectively. The increase in revenue and operating profit arose from pick up of business activities as a result of the relaxation of MCO measures.

The Group reported basic earnings per share of 2.16 sen as compared to basic earnings per share of 4.66 sen recorded in the preceding year corresponding quarter.

B2 Comparison With Immediate Preceding Quarter's Results

For the current quarter under review, the Group's revenue increase by 64% to RM605 million as compared with RM368 million in the immediate preceding quarter largely due to recognition of revenue from land disposal amounting to RM214 million in the current quarter. The Group recorded profit attributable to equity holders of RM31 million in the current quarter as compared with RM51 million in the immediate preceding quarter. Higher profit in the immediately preceding quarter was mainly due to gain from the settlement of arbitral award in the Middle East but negated by higher construction costs of projects caused by the pandemic and inflation.

B3 Profit for the period

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.3.2022 RM'000	31.3.2021 RM'000	31.3.2022 RM'000	31.3.2021 RM'000
Profit for the period is arrived at after crediting/ (charging):				
Interest income	4,096	5,285	4,096	5,285
Interest expense and sukuk profit	(27,321)	(28,782)	(27,321)	(28,782)
Depreciation & amortisation	(10,059)	(10,896)	(10,059)	(10,896)
Property, plant and equipment written off	(11)	(303)	(11)	(303)
Net impairment and allowance for expected credit losses of receivables	534	(280)	534	(280)
Gain on disposal of property, plant and equipment	41	518	41	518
(Loss)/gain on foreign exchange	(499)	190	(499)	190

B4 Prospects For The Financial Year 2022

On 11 May 2022, Bank Negara Malaysia stated in a statement that based on the latest indicators, the growth of Malaysian economy is on a firmer footing, driven by strengthening domestic demand amid sustained export growth. The labour market is further lifted by a lower unemployment rate, higher labour participation and better income prospects. The transition to endemicity from 1 April 2022 will strengthen economic activity, in line with further easing of restrictions and the reopening of international borders. Investment activity and prospects have also improved, underpinned by the realisation of multi-year projects and positive growth outlook. However, risks to growth remain, which include a weaker-than-expected global growth, further escalation of geopolitical conflicts, worsening supply chain disruptions, and adverse developments surrounding COVID-19.

The Group is cautiously optimistic of its prospects for the remaining period of year 2022. Our 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, Property Investment and Management Division expect the transition to endemicity from 1 April 2022 to stimulate the demand for our property development offers and launches. The easing of restrictions and the reopening of international borders 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	
	31.3.2022	31.3.2021	31.3.2022	31.3.2021
	RM'000	RM'000	RM'000	RM'000
Taxation comprises:				
Income tax				
- current financial period	6,574	21,945	6,574	21,945
Deferred taxation	1,251	1,665	1,251	1,665
	<u>7,825</u>	<u>23,610</u>	<u>7,825</u>	<u>23,610</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 2022 and preceding year corresponding quarter ended 31 March 2021 were lower than the statutory tax rate.

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 31.3.2022 RM'000	As at 31.12.2021 RM'000
Long Term Bank Borrowings		
<u>Secured:-</u>		
Long term loans	279,074	287,057
<u>Unsecured:-</u>		
Sukuk Murabahah	810,000	810,000
	1,089,074	1,097,057
Short Term Bank Borrowings		
<u>Secured :-</u>		
Revolving credit	480,404	538,023
Term loans	310,733	315,932
	791,137	853,955
<u>Unsecured :-</u>		
Trade facilities	58,368	62,863
Revolving credit	424,500	424,500
Sukuk Murabahah	600,000	400,000
	1,082,868	887,363
	1,874,005	1,741,318
Total Bank Borrowings	2,963,079	2,838,375

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 2021 (being the date of the last annual statement of financial position) to 20 May 2022 (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[^]) ("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[^], 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[^]), 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[^]) 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. The Company has todate duly received the first, second and third quarterly instalments in accordance with and pursuant to the payment schedule in the Settlement Agreement.

* 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')

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 on 1 September 2021 the High Court dismissed SASB's application and allowed MAHB's application. On 10 September 2021, SASB filed appeals to the Court of Appeal against the aforesaid High Court decisions.

On 1 November 2021 MAHB and SASB entered into a mutually agreed amicable payment agreement for the amounts awarded under the Final Award to be settled by SASB progressively over a period of nine (9) months. Pursuant to the terms of the agreement, all pending legal proceedings arising from the arbitration were discontinued and withdrawn with no order as to costs.

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

B10 Dividends

	Paid in Year Ending 31 Dec 2022 RM'000	Paid in Year Ended 31 Dec 2021 RM'000
<u>Final single tier dividend paid</u>		
For the financial year ended 31 December 2020		
- Share dividend by way of distribution of 14,026,085 treasury shares on 22 July 2021 on the basis of 1 treasury share for every 100 ordinary shares held in the Company	-	4,955
Total net dividend paid	-	4,955

On 24 February 2022, the Board of Directors of the Company announced that the Board has resolved to recommend a final dividend of 0.5 sen per ordinary shares under the single-tier system in respect of the financial year ended 31 December 2021, amounting to approximately RM7,086,000, subject to the shareholders' approval being obtained at the Company's forthcoming Eleventh Annual General Meeting ("Final Dividend").

The entitlement date for the aforesaid Final Dividend has been fixed on 30 June 2022 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 2022 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 Final Dividend will be payable on 15 July 2022.

B11 Earning Per Share- Basic/Diluted

	Quarter and Year- To-Date Ended 31.3.2022
(a) Basic Earnings Per Share	
Profit attributable to the equity holders of the Company (RM'000)	30,558
Weighted average number of ordinary shares in issue, excluding treasury shares ('000)	1,417,236
Basic earnings per share (sen)	2.16

(b) Fully Diluted Earnings Per Share

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

Date: 26 May 2022