



**WCT HOLDINGS BERHAD**

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

**Date : 25 May 2023**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2023**

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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 2023**

( The figures have not been audited )

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	404,646	604,723	404,646	604,723
Cost of sales	(339,933)	(487,739)	(339,933)	(487,739)
<b>Gross profit</b>	<b>64,713</b>	<b>116,984</b>	<b>64,713</b>	<b>116,984</b>
Other income	12,645	12,793	12,645	12,793
Other expenses	(6,874)	(7,096)	(6,874)	(7,096)
Administrative expenses	(27,757)	(29,395)	(27,757)	(29,395)
Finance costs	(29,263)	(27,321)	(29,263)	(27,321)
Share of profit after tax of associates	1,806	2,907	1,806	2,907
Share of profit/(loss) after tax of joint ventures	4,435	(7,711)	4,435	(7,711)
	<b>19,705</b>	<b>61,161</b>	<b>19,705</b>	<b>61,161</b>
Income tax	(4,330)	(7,825)	(4,330)	(7,825)
<b>Profit for the period</b>	<b>15,375</b>	<b>53,336</b>	<b>15,375</b>	<b>53,336</b>
Attributable to:				
Equity holders of the Company	(7,688)	30,558	(7,688)	30,558
Holder of Perpetual Sukuk	23,795	23,958	23,795	23,958
Non-controlling interest	(732)	(1,180)	(732)	(1,180)
<b>Profit for the period</b>	<b>15,375</b>	<b>53,336</b>	<b>15,375</b>	<b>53,336</b>
Attributable to equity holders of the Company :				
Basic (loss)/earnings per share (sen)	(0.54)	2.16	(0.54)	2.16
Fully diluted (loss)/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 2022 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 2023**

( The figures have not been audited )

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
	RM'000	RM'000	RM'000	RM'000
Profit for the period	15,375	53,336	15,375	53,336
Other comprehensive income/(loss):				
Currency translation differences arising from consolidation	631	3,189	631	3,189
Other comprehensive income/(loss) for the period, net of tax	631	3,189	631	3,189
Total comprehensive income/(loss) for the period	16,006	56,525	16,006	56,525
Total comprehensive income/(loss) for the period attributable to :				
Equity holders of the Company	(7,066)	33,708	(7,066)	33,708
Holder of Perpetual Sukuk	23,795	23,958	23,795	23,958
Non-controlling interest	(723)	(1,141)	(723)	(1,141)
	16,006	56,525	16,006	56,525

(The consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 2023**

	AS AT 31.3.2023 UNAUDITED RM'000	AS AT 31.12.2022 AUDITED RM'000
<b>ASSETS</b>		
<b><u>Non-current assets</u></b>		
Property, plant and equipment	366,163	361,903
Right-of-use assets:		
- Property, plant and equipment	37,183	38,163
- Investment properties	119,905	120,736
Intangible assets	101,951	103,680
Inventory properties under development	1,552,873	1,538,025
Investment properties	1,789,057	1,789,057
Investment in associates	173,596	171,256
Investment in joint ventures	308,695	303,474
Trade receivables	259,045	308,298
Other receivables	93,146	134,497
Deferred tax assets	18,231	15,216
	4,819,845	4,884,305
<b><u>Current assets</u></b>		
Inventory properties under development	368,071	360,932
Inventories	335,188	346,079
Trade receivables	835,943	757,728
Contract assets	723,501	643,550
Other receivables	454,567	462,134
Due from related parties	536,839	557,339
Tax recoverable	37,609	46,926
Cash and bank balances	204,233	233,796
	3,495,951	3,408,484
Assets classified as held for sale	7,391	10,955
<b>TOTAL ASSETS</b>	8,323,187	8,303,744
<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	(1,502,022)	(1,502,644)
Retained earnings	1,421,240	1,428,928
Treasury shares, at costs	(381)	(381)
	3,131,633	3,138,699
Perpetual Sukuk	819,620	819,449
Non-controlling interest	(52,361)	(51,638)
<b>Total equity</b>	3,898,892	3,906,510

**WCT HOLDINGS BERHAD**

Registration Number : 201101002327 (930464-M)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023**  
**(Cont'd.)**

	AS AT 31.3.2023 UNAUDITED RM'000	AS AT 31.12.2022 AUDITED RM'000
<b>EQUITY AND LIABILITIES (Cont'd)</b>		
<b><u>Non-current liabilities</u></b>		
Trade payables	133,614	137,643
Contract liabilities	8,525	8,525
Other payables	29,041	32,853
Lease commitment payable	82,235	88,845
Hire purchase and lease liabilities	149,385	152,829
Borrowings	1,202,166	1,167,754
Deferred tax liabilities	128,538	126,957
	<u>1,733,504</u>	<u>1,715,406</u>
<b><u>Current liabilities</u></b>		
Trade payables	832,380	812,528
Contract liabilities	30,419	22,001
Other payables	171,636	185,497
Lease commitment payable	5,405	4,716
Hire purchase and lease liabilities	16,912	18,719
Due to related parties	1,325	1,178
Borrowings	1,625,565	1,629,844
Tax payable	7,149	7,345
	<u>2,690,791</u>	<u>2,681,828</u>
<b>Total Liabilities</b>	<u>4,424,295</u>	<u>4,397,234</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>8,323,187</u>	<u>8,303,744</u>
Net asset per share (RM)	2.21	2.21

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 2023**

	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	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	Perpetual Sukuk RM'000	Non-controlling interest RM'000	
<i>Preceding year corresponding period</i>												
<b>At 1 January 2022</b>	3,212,796	(381)	(1,554,791)	(101,915)	61,646	3,797	59,827	1,438	1,307,339	818,765	(47,299)	3,761,222
Profit/(loss) for the period	-	-	-	-	-	-	-	-	30,558	23,958	(1,180)	53,336
Other comprehensive loss	-	-	-	3,150	-	-	-	-	3,150	-	39	3,189
Total comprehensive income/(loss) for the period	-	-	-	3,150	-	-	-	-	30,558	23,958	(1,141)	56,525
Distribution to holders of Perpetual Sukuk	-	-	-	-	-	-	-	-	-	(23,958)	-	(23,958)
Amortization of transaction cost	-	-	-	-	-	-	-	-	-	171	-	171
<b>At 31 March 2022</b>	3,212,796	(381)	(1,554,791)	(98,765)	61,646	3,797	59,827	1,438	1,337,897	818,936	(48,440)	3,793,960
<i>Current year to date</i>												
<b>At 1 January 2023</b>	3,212,796	(381)	(1,554,791)	(78,126)	61,646	3,797	63,392	1,438	1,428,928	819,449	(51,638)	3,906,510
Profit/(loss) for the period	-	-	-	-	-	-	-	-	(7,688)	23,795	(732)	15,375
Other comprehensive income	-	-	-	622	-	-	-	-	622	-	9	631
Total comprehensive income/(loss) for the period	-	-	-	622	-	-	-	-	(7,688)	23,795	(723)	16,006
Distribution to holders of Perpetual Sukuk	-	-	-	-	-	-	-	-	-	(23,795)	-	(23,795)
Amortization of transaction cost	-	-	-	-	-	-	-	-	-	171	-	171
<b>At 31 March 2023</b>	3,212,796	(381)	(1,554,791)	(77,504)	61,646	3,797	63,392	1,438	1,421,240	819,620	(52,361)	3,898,892

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 2023**

	Year-To-Date Ended	
	31.3.2023 UNAUDITED RM'000	31.3.2022 UNAUDITED RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	19,705	61,161
Adjustments for:-		
Non-cash items	7,190	350
Non-operating items - financing	21,544	20,173
Non-operating items - investing	(6,361)	6,189
Operating profit before working capital changes	<u>42,078</u>	<u>87,873</u>
Net changes in assets	(36,128)	(50,766)
Net changes in liabilities	(6,726)	(12,998)
Cash flows (used in)/generated from operating activities	<u>(776)</u>	<u>24,109</u>
Taxation refunded/(paid)	3,356	(11,778)
Net cash generated from operating activities	<u>2,580</u>	<u>12,331</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additional investments in a joint venture	-	-
Interest received	7,719	7,148
Property, plant and equipment	(10,475)	(14,898)
Placement in deposits with licensed banks	(16,609)	7,056
Net cash used in investing activities	<u>(19,365)</u>	<u>(694)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(28,144)	(17,865)
Distribution to holders of Perpetual Sukuk	(23,795)	(23,958)
Payment of principal portion of lease liabilities	(7,676)	(8,897)
Net drawdown of bank borrowings	30,133	124,704
Net cash (used in)/generated from financing activities	<u>(29,482)</u>	<u>73,984</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR</b>	<b>(46,267)</b>	<b>85,621</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>183,400</b>	<b>222,077</b>
Foreign exchange differences	95	2,856
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD *</b>	<b><u>137,228</u></b>	<b><u>310,554</u></b>

\* Cash & cash equivalents excludes deposits with licensed bank pledged as security amounting to RM66,973,012 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 2022 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 2022. 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 2022.

**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 2022, except for the adoption of the following new Malaysian Financial Reporting Standards ("MFRSs") and Amendments to MFRSs with effect from 1 January 2023.

**MFRSs and Amendments to MFRSs**

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 101 Presentation of Financial Statements: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 108: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 101 and MFRS Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 112: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
MFRS 17 Insurance Contracts	1 January 2023

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 2022.

**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 2023.

**A6 Changes In Estimates**

There were no changes in estimates that have had any material effect during the current quarter ended 31 March 2023.

**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 2023.

**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
<b>3 months period ended 31 March 2023</b>						
<b>Revenue</b>						
External	304,299	48,385	51,962	-	-	404,646
Inter segment	36,801	-	1,195	-	(37,996)	-
	<u>341,100</u>	<u>48,385</u>	<u>53,157</u>	<u>-</u>	<u>(37,996)</u>	<u>404,646</u>

Segment results

Profit from operations	9,066	6,306	27,355	-	-	42,727
Share of results of associates	28	1,008	-	770	-	1,806
Share of results of joint ventures	249	(1,668)	5,854	-	-	4,435
Finance costs						(29,263)
Taxation						(4,330)
Profit for the financial period						<u>15,375</u>
Profit attributable to :-						
- Equity holders of the Company						(7,688)
- Holders of Perpetual Sukuk						23,795
- Non-controlling interest						<u>(732)</u>
						<u>15,375</u>

**3 months period ended 31 March 2022**

<b>Revenue</b>						
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						<u>(1,180)</u>
						<u>53,336</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 2022.

#### A12 Subsequent Material Events

There was no material event subsequent to the quarter ended 31 March 2023.

#### 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 2023.

#### A14 Contingent Liabilities

Contingent liabilities of the Group as at 19 May 2023 (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 RM481.451 million and RM11.919 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 RM1.95 million. The changes in contingent liabilities since 31 December 2022 are as follows:-

(a) Bank Guarantees and Letters of credit	Bank Guarantees RM'000	Letters of credit RM'000
Balance as at 31 December 2022	494,450	2,402
Extended/utilised during the financial period	828	11,919
Discharged/paid during the financial period	<u>(13,827)</u>	<u>(2,402)</u>
Balance as at 19 May 2023	<u>481,451</u>	<u>11,919</u>

(b) The tax matters under appeal of the Group totalling RM1.95 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 2023.

#### A16 Capital Commitments

There are no material commitments except for as follows:-

	<b>31.3.2023</b>
	<b>RM'000</b>
Approved and contracted for :	
Property, plant and equipment	11,735

#### A17 Significant Related Party Transactions

The Group had the following significant transactions with related parties during the period ended 31 March 2023:

	<b>RM'000</b>
Contract revenue from associates	15,894
Contract revenue from companies in which a director has interests	156,366
Contract costs to a company in which a director has interests	58,495
Interest receivable from joint ventures	5,103
Management fee receivable from joint ventures and associates	1,655
Fees payable for retail related services to a company in which certain directors have interests	159
Management fees payable for retail related services to a joint venture	101
Lease expense payable to companies in which certain directors have interests	305

## **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 loss attributable to equity holders of RM405 million and RM8 million, respectively as compared to the preceding year corresponding quarter's revenue and profit attributable to equity holders of RM605 million and RM31 million, respectively. Excluding revenue and profit from land sales which amounted to RM214 million and RM56 million respectively, recorded in the preceding year's corresponding quarter, the Group would have shown an improvement in revenue of RM14 million and a reduction in loss attributable to equity holders by RM17 million.

Engineering and Construction segment continues to be the Group's main contributor of revenue, accounting for 75% of the Group's consolidated revenue. Property Development and Property Investment & Management segments contributed RM48 million and RM52 million respectively, representing approximately 12% and 13% of the Group's consolidated revenue.

#### Engineering and Construction

For current quarter, this segment recorded revenue and operating profit of RM304 million and RM9 million, as compared to RM292 million and RM15 million reported in the preceding year's corresponding quarter. Lower operating profit in current quarter mainly due to lower construction margin.

#### Property Development

In the current quarter, this segment has reported revenue of RM48 million and operating profits of RM6 million, compared to RM269 million and RM56 million, respectively, in the preceding year's corresponding quarter. The higher revenue and operating profits in the previous year's corresponding quarter were primarily attributed to the sale of vacant lands, which generated sales proceeds of RM214 million and a profit of RM56 million.

#### Property Investment and Management

The Property Investment and Management segment experienced growth in the current quarter, with revenue and operating profit increase by 18% and 22% to RM52 million and RM27 million, respectively. The increase in revenue and operating profit were attributed to a pickup in business activities.

The Group reported basic loss per share of 0.54 sen as compared to basic earnings per share of 2.16 sen recorded in the preceding year's corresponding quarter.

## B2 Comparison With Immediate Preceding Quarter's Results

For the current quarter under review, the Group's revenue decrease by 14% to RM405 million as compared with RM469 million in the immediate preceding quarter. The Group recorded loss attributable to equity holders of RM8 million in the current quarter as compared with profit attributable to equity holders of RM27 million in the immediate preceding quarter. The lower revenue was mainly due to lower contribution from the engineering and construction segment, whereas the difference in profit/loss attributable to equity holders was mainly due to fair value gain of investment properties in the immediate preceding quarter.

## B3 Profit for the period

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	CURRENT QUARTER 31.3.2023 RM'000	PRECEDING FINANCIAL YEAR CORRESPONDING QUARTER 31.3.2022 RM'000	CURRENT CUMULATIVE QUARTER 31.3.2023 RM'000	PRECEDING CORRESPONDING QUARTER 31.3.2022 RM'000
Profit for the period is arrived at after crediting/ (charging):				
Interest income	4,745	4,096	4,745	4,096
Interest expense and sukuk profit	(29,263)	(27,321)	(29,263)	(27,321)
Depreciation & amortisation	(9,622)	(10,059)	(9,622)	(10,059)
Property, plant and equipment written off	-	(11)	-	(11)
Net impairment of allowance for expected credit losses of receivables	(196)	534	(196)	534
Gain on disposal of property, plant and equipment	279	41	279	41
Loss on foreign exchange	(1,438)	(499)	(1,438)	(499)

#### B4 Prospects For The Financial Year 2023

On 3 May 2023, Bank Negara Malaysia stated in its monetary policy statement that The global economy continues to be driven by resilient domestic demand supported by strong labour market conditions, and a stronger-than-expected rebound of China's economy. Nevertheless, the global economy continues to be weighed down by elevated cost pressures and higher interest rates. Headline inflation continued to moderate, but core inflation has persisted above historical averages. For most central banks, the monetary policy stance is likely to remain tight. The growth outlook remains subject to downside risks, mainly from an escalation of geopolitical tensions, higher-than-anticipated inflation outturns, and a sharp tightening in financial market conditions including from further stress in the banking sector.

For the Malaysian economy, latest developments point towards further expansion in economic activity in the first quarter of 2023 after the strong performance in 2022. While exports are expected to moderate, growth in 2023 will be driven by domestic demand. Household spending remains resilient, underpinned by better labour market conditions as unemployment continues to decline to pre-pandemic levels. The pickup in tourist arrivals is expected to lift tourism-related activities. Further progress of multi-year infrastructure projects will support investment activity. Domestic financial conditions also remain conducive to financial intermediation, with no signs of excessive tightening affecting consumption and investment activities. Risks to the domestic growth outlook are relatively balanced. Upside risks mainly emanate from domestic factors such as stronger-than-expected tourism activity and implementation of projects including those from the re-tabled Budget 2023, while downside risks stem from weaker-than-expected global growth and more volatile global financial market conditions.

The Group is cautiously optimistic of its prospects for financial year 2023. 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 resilient Malaysian economy and reopening of China are expected to stimulate further the demand for our property development offers and launches. The strong Malaysian household spending coupled with the pickup arrival of tourist will continue to revitalize the five retails malls under the Group's management in particular the airport malls as well as hotels and business aviation services.

#### B5 Variance of Actual Profit From Forecast Profit

Not applicable to the Group.

#### B6 Taxation

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
	RM'000	RM'000	RM'000	RM'000
Taxation comprises:				
Malaysian income tax				
- current financial period	5,949	6,574	5,949	6,574
Deferred taxation	(1,619)	1,251	(1,619)	1,251
	<u>4,330</u>	<u>7,825</u>	<u>4,330</u>	<u>7,825</u>

## B6 Taxation (Contd')

The Group's effective tax rate for the current quarter ended 31 March 2023 (excluding the results of associates and joint ventures which are equity accounted net of tax) was higher than the statutory tax rate. This was primarily due to certain expenses that were not deductible for tax purposes.

The Group's effective tax rate for the preceding year corresponding quarter ended 31 March 2022 (excluding the results of associates and joint ventures, which are equity accounted net of tax) was 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 31.3.2023 RM'000	As at 31.12.2022 RM'000
<b>Long Term Bank Borrowings</b>		
<u>Secured:-</u>		
Long term loans	382,166	347,754
Medium term notes	310,000	310,000
	692,166	657,754
<u>Unsecured:-</u>		
Sukuk Murabahah	510,000	510,000
	1,202,166	1,167,754
<b>Short Term Bank Borrowings</b>		
<u>Secured :-</u>		
Revolving credit	445,599	440,426
Term loans	174,479	186,623
	620,078	627,049
<u>Unsecured :-</u>		
Trade facilities	55,987	63,295
Revolving credit	449,500	439,500
Sukuk Murabahah	500,000	500,000
	1,005,487	1,002,795
	1,625,565	1,629,844
<b>Total Bank Borrowings</b>	2,827,731	2,797,598

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 2022 (being the date of the last annual statement of financial position) to 19 May 2023 (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 have taken steps to withdraw all pending proceedings against each other in relation to the Contract and/or the Award. The Company has since 20 October 2021 continued to duly received the quarterly instalments from Meydan 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

## B10 Dividends

	Paid in Year Ending 31 Dec 2023 RM'000	Paid in Year Ended 31 Dec 2022 RM'000
<u>Final single tier dividend paid</u>		
For the financial year ended 31 December 2021		
- Cash dividend of 0.50 sen per ordinary share	-	7,086
Total net dividend paid	<u>-</u>	<u>7,086</u>

On 27 February 2023, 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 2022, amounting to approximately RM7,086,000, subject to the shareholders' approval being obtained at the Company's forthcoming Twelfth Annual General Meeting ("Final Dividend").

The entitlement date for the aforesaid Final Dividend has been fixed on 30 June 2023 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 2023 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 17 July 2023.

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

**Year-To-Date  
Ended  
31.3.2023**

**(a) Basic Loss Per Share**

Loss attributable to the equity holders of the Company  
(RM'000) (7,688)

Weighted average number of ordinary shares in issue,  
excluding treasury shares ('000) 1,417,236

Basic loss per share (sen) (0.54)

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

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

Date: 25 May 2023