



WCT HOLDINGS BERHAD

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

Date : 29 February 2024

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

(The figures have not been audited)

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	401,668	468,933	1,727,349	2,104,868
Cost of sales	(544,673)	(463,435)	(1,681,684)	(1,847,234)
Gross (loss)/profit	(143,005)	5,498	45,665	257,634
Other income	47,165	90,196	90,180	145,370
Other expenses	(61,116)	(27,616)	(83,015)	(49,579)
Administrative expenses	(39,295)	(35,412)	(131,060)	(130,415)
Finance costs	(34,409)	(29,136)	(129,425)	(110,108)
Share of profit after tax of associates	4,709	3,979	15,008	12,838
Share of (loss)/profit after tax of joint ventures	(444)	23,850	14,887	13,603
	(226,395)	31,359	(177,760)	139,343
Income tax	(20,553)	(5,384)	(31,638)	33,448
(Loss)/profit for the period	(246,948)	25,975	(209,398)	172,791
Attributable to:				
Equity holders of the Company	(245,921)	27,138	(254,148)	128,675
Holders of Perpetual Sukuk	-	-	48,081	48,176
Non-controlling interest	(1,027)	(1,163)	(3,331)	(4,060)
(Loss)/profit for the period	(246,948)	25,975	(209,398)	172,791
Attributable to equity holders of the Company :				
Basic (loss)/earnings per share (sen)	(17.35)	1.91	(17.93)	9.08
Fully diluted (loss)/earnings per share (sen)	- ^	-	- ^	- *

^ Fully diluted loss per share are not presented as there are no dilutive potential ordinary shares.

* 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 DECEMBER 2023

(The figures have not been audited)

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
(Loss)/profit for the period	(246,948)	25,975	(209,398)	172,791
Other comprehensive income/(loss):				
Currency translation differences arising from consolidation	(1,081)	(18,142)	14,169	23,510
Revaluation of freehold land and buildings	5,068	3,565	5,068	3,565
Other comprehensive income/(loss) for the period, net of tax	3,987	(14,577)	19,237	27,075
Total comprehensive (loss)/income for the period	(242,961)	11,398	(190,161)	199,866
Total comprehensive (loss)/income for the period attributable to :				
Equity holders of the Company	(241,838)	13,335	(235,095)	156,029
Holders of Perpetual Sukuk	-	-	48,081	48,176
Non-controlling interest	(1,123)	(1,937)	(3,147)	(4,339)
	(242,961)	11,398	(190,161)	199,866

(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 DECEMBER 2023

	AS AT 31.12.2023 UNAUDITED RM'000	AS AT 31.12.2022 AUDITED RM'000
ASSETS		
<u>Non-current assets</u>		
Property, plant and equipment	396,219	361,903
Right-of-use assets:		
- Property, plant and equipment	37,019	38,163
- Investment properties	115,751	120,736
Intangible assets	96,708	103,680
Inventory properties under development	1,630,336	1,538,025
Investment properties	1,805,392	1,789,057
Investment in associates	190,537	171,256
Investment in joint ventures	312,485	303,474
Trade receivables	261,972	308,298
Other receivables	7,599	134,497
Deferred tax assets	17,890	15,216
	<u>4,871,908</u>	<u>4,884,305</u>
<u>Current assets</u>		
Inventory properties under development	366,882	360,932
Inventories	225,774	346,079
Trade receivables	788,475	757,728
Contract assets	930,998	643,550
Other receivables	438,697	462,134
Due from related parties	583,273	557,339
Tax recoverable	27,025	46,926
Cash and bank balances	414,690	233,796
	<u>3,775,814</u>	<u>3,408,484</u>
Assets classified as held for sale	-	10,955
	<u>8,647,722</u>	<u>8,303,744</u>
TOTAL ASSETS		
EQUITY AND LIABILITIES		
<u>Equity attributable to equity holders of the Company</u>		
Share capital	3,212,796	3,212,796
Reserves	(1,487,388)	(1,502,644)
Retained earnings	1,171,490	1,428,928
Treasury shares, at costs	(381)	(381)
	<u>2,896,517</u>	<u>3,138,699</u>
Perpetual Sukuk	820,134	819,449
Non-controlling interest	(29,785)	(51,638)
Total equity	<u>3,686,866</u>	<u>3,906,510</u>

WCT HOLDINGS BERHAD

Registration Number : 201101002327 (930464-M)

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

	AS AT 31.12.2023 UNAUDITED RM'000	AS AT 31.12.2022 AUDITED RM'000
EQUITY AND LIABILITIES (Cont'd)		
<u>Non-current liabilities</u>		
Trade payables	111,898	137,643
Contract liabilities	6,000	8,525
Other payables	29,149	32,853
Lease commitment payable	82,876	88,845
Hire purchase and lease liabilities	139,637	152,829
Borrowings	1,207,820	1,167,754
Deferred tax liabilities	137,343	126,957
	<u>1,714,723</u>	<u>1,715,406</u>
<u>Current liabilities</u>		
Trade payables	1,075,269	812,528
Contract liabilities	46,817	22,001
Other payables	202,117	185,497
Lease commitment payable	5,547	4,716
Hire purchase and lease liabilities	17,448	18,719
Due to related parties	1,621	1,178
Borrowings	1,885,452	1,629,844
Tax payable	11,862	7,345
	<u>3,246,133</u>	<u>2,681,828</u>
Total Liabilities	<u>4,960,856</u>	<u>4,397,234</u>
TOTAL EQUITY AND LIABILITIES	<u>8,647,722</u>	<u>8,303,744</u>
Net asset per share (RM)	2.04	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 DECEMBER 2023

	← Attributable to Equity Holders of the Company →											
	← Non-Distributable →					← Distributable →						
	Share capital	Treasury shares	Internal reorganisation reserve	Exchange reserve	Capital reserve	Equity compensation reserve	Revaluation reserve	General reserve	Retained earnings	Perpetual Sukuk	Non-controlling Interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Preceding year corresponding period												
At 1 January 2022	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	-	-	-	-	-	-	-	-	128,675	48,176	(4,060)	172,791
Other comprehensive income/(loss)	-	-	-	23,789	-	-	3,565	-	-	-	(279)	27,075
Total comprehensive income/(loss) for the period	-	-	-	23,789	-	-	3,565	-	128,675	48,176	(4,339)	199,866
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(7,086)	-	-	(7,086)
Distribution to holders of Perpetual Sukuk	-	-	-	-	-	-	-	-	-	(48,176)	-	(48,176)
Amortization of transaction cost	-	-	-	-	-	-	-	-	-	684	-	684
At 31 December 2022	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
Current year to date												
At 1 January 2023	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	-	-	-	-	-	-	-	-	(254,148)	48,081	(3,331)	(209,398)
Other comprehensive income	-	-	-	13,985	-	-	5,068	-	-	-	184	19,237
Total comprehensive income/(loss) for the period	-	-	-	13,985	-	-	5,068	-	(254,148)	48,081	(3,147)	(190,161)
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(7,087)	-	-	(7,087)
Distribution to holders of Perpetual Sukuk	-	-	-	-	-	-	-	-	-	(48,081)	-	(48,081)
Subscription of preference shares of a subsidiary by non-controlling interest	-	-	-	-	-	(3,797)	-	-	-	-	25,000	25,000
Transfer within reserve for ESOS lapsed and forfeited	-	-	-	-	-	-	-	-	3,797	-	-	3,797
Amortization of transaction cost	-	-	-	-	-	-	-	-	-	685	-	685
At 31 December 2023	3,212,796	(381)	(1,554,791)	(64,141)	61,646	-	68,460	1,438	1,171,490	820,134	(29,785)	3,680,866

(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 DECEMBER 2023**

	Year-To-Date Ended	
	31.12.2023 UNAUDITED RM'000	31.12.2022 AUDITED RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(177,760)	139,343
Adjustments for:-		
Non-cash items	30,859	39,444
Non-operating items - financing	94,405	79,280
Non-operating items - investing	(46)	(102,535)
Operating (loss)/profit before working capital changes	<u>(52,542)</u>	<u>155,532</u>
Net changes in assets	(19,257)	60,110
Net changes in liabilities	205,698	67,586
Cash flows generated from operating activities	<u>133,899</u>	<u>283,228</u>
Taxation refunded/(paid)	631	(70,197)
Net cash generated from operating activities	<u>134,530</u>	<u>213,031</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional investments in a joint venture	-	(26,000)
Acquisition of subsidiary, net of cash acquired	1,907	-
Subscription of preference shares of a subsidiary by non-controlling interest	25,000	-
Interest received	35,020	30,828
Property, plant and equipment	(44,857)	(43,996)
Investment properties	(3,381)	(1,227)
Assets classified as held for sale	10,965	10,956
(Placement in)/withdrawal of deposits with licensed banks	(39,776)	11,219
Net cash used in investing activities	<u>(15,122)</u>	<u>(18,220)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(151,000)	(124,512)
Dividend paid to shareholders	(7,087)	(7,086)
Distribution to holders of Perpetual Sukuk	(48,081)	(48,176)
Payment of principal portion of lease liabilities	(30,005)	(33,841)
Net drawdown/(repayment) of bank borrowings	248,058	(40,777)
Net cash generated from/(used in) financing activities	<u>11,885</u>	<u>(254,392)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR	131,293	(59,581)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	183,401	222,077
Foreign exchange differences	9,825	20,905
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR *	<u>324,519</u>	<u>183,401</u>

* Cash & cash equivalents excludes cash and deposits with licensed bank pledged as security amounting to RM79,208,000 and deposits with maturities more than 3 months amounting to RM10,963,000.

(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

Description	Effective for annual periods beginning on or after
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 December 2023.

A6 Changes In Estimates

There were no changes in estimates that have had any material effect during the current quarter ended 31 December 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 December 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
12 months period ended 31 December 2023						
Revenue						
External	1,148,226	362,005	217,118	-	-	1,727,349
Inter segment	181,937	-	4,782	-	(186,719)	-
	<u>1,330,163</u>	<u>362,005</u>	<u>221,900</u>	<u>-</u>	<u>(186,719)</u>	<u>1,727,349</u>
Segment results						
(Loss)/profit from operations	(219,765)	20,179	121,356	-	-	(78,230)
Share of results of associates	(2,139)	14,382	-	2,765	-	15,008
Share of results of joint ventures	556	(17,043)	31,374	-	-	14,887
Finance costs						(129,425)
Taxation						(31,638)
Loss for the financial period						<u>(209,398)</u>
(Loss)/profit attributable to :-						
- Equity holders of the Company						(254,148)
- Holders of Perpetual Sukuk						48,081
- Non-controlling interest						(3,331)
						<u>(209,398)</u>
12 months period ended 31 December 2022						
Revenue						
External	1,468,861	451,509	184,498	-	-	2,104,868
Inter segment	149,044	-	3,954	-	(152,998)	-
	<u>1,617,905</u>	<u>451,509</u>	<u>188,452</u>	<u>-</u>	<u>(152,998)</u>	<u>2,104,868</u>
Segment results						
Profit from operations	47,656	17,938	157,416	-	-	223,010
Share of results of associates	690	9,671	-	2,477	-	12,838
Share of results of joint ventures	1,784	(8,203)	20,022	-	-	13,603
Finance costs						(110,108)
Taxation						33,448
Profit for the financial period						<u>172,791</u>
Profit attributable to :-						
- Equity holders of the Company						128,675
- Holders of Perpetual Sukuk						48,176
- Non-controlling interest						(4,060)
						<u>172,791</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

Certain property, plant and equipment were revalued, resulting in an increase of approximately RM6.54million.

A12 Subsequent Material Events

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

A13 Effects Of Changes In The Composition Of The Group

- (i) On 3 July 2023, WCT Berhad ("WCTB") entered into a share sale agreement with TSR Bina Sdn. Bhd. to acquire 1,470,000 ordinary share representing the remaining 49% equity interest in WCT-TSR Sdn. Bhd. ("WCTTSR"), previously a 51% owned joint venture for a total purchase consideration of RM1,470,000 in cash which resulted WCTTSR becomes a wholly-owned subsidiary of WCTB.

Save as disclosed above, there were no material changes in the Group's composition during the current quarter ended 31 December 2023.

A14 Contingent Liabilities

Contingent liabilities of the Group as at 23 February 2024 (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 RM452.074 million and RM7.445 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 RM17.5 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	41,333	41,443
Discharged/paid during the financial period	<u>(83,709)</u>	<u>(36,400)</u>
Balance as at 23 February 2024	<u>452,074</u>	<u>7,445</u>

- (b) The tax matters under appeal of the Group totalling RM17.5 million are in respect of corporation tax and service tax of a foreign subsidiary and a foreign branch of a subsidiary.

A16 Capital Commitments

There are no material commitments except for as follows:-

	31.12.2023
	RM'000
Approved and contracted for :	
Property, plant and equipment	2,204

A17 Significant Related Party Transactions

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

	RM'000
Contract revenue from associates	18,909
Contract revenue from companies in which a director has interests	483,049
Contract costs to a company in which a director has interests	301,827
Interest receivable from joint ventures	21,792
Management fee receivable from joint ventures and associates	7,272
Fees payable for retail related services to a company in which certain directors have interests	636
Management fees payable for retail related services to a joint venture	169
Lease expense payable to companies in which certain directors have interests	<u>1,217</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 loss attributable to equity holders of RM402 million and RM246 million respectively, as compared to the preceding year corresponding quarter's revenue and profit attributable to equity holders of RM469 million and RM27 million.

Engineering and Construction segment continues to be the Group's main contributor of revenue of RM221 million, accounting for 55% of the Group's consolidated revenue. Property Development and Property Investment & Management segments contributed RM122 million and RM59 million respectively, representing approximately 30% and 15% of the Group's consolidated revenue.

For current year, the Group recorded revenue and loss attributable to equity holders of RM1,727 million and RM254 million respectively, as compared to the preceding year's revenue and profit attributable to equity holders of RM2,105 million and RM129 million.

Engineering and Construction

For current year, this segment recorded revenue and operating loss of RM1,148 million (2022: RM1,469 million) and RM220 million (2022: operating profit of RM48 million) respectively. Lower revenue in current year were mainly due to the slower construction progress, whereas the operating loss was due to project margins being lowered due to prolongation, materials and labour costs escalation. The lowered margins led to the reversal of profits which have been accrued on the various projects.

Property Development

For current year, this segment achieved revenue of RM362 million (2022:RM452 million) and operating profits of RM20 million (2022: RM18 million) respectively. The higher revenue in the preceding year were primarily attributed to the sale of vacant lands with sales proceeds of about RM214 million.

B1 Review of performance (cont'd)

Property Investment and Management

For current year, this segment achieved revenue of RM217 million (2022:RM184 million) and operating profits of RM121 million (2022:RM157 million) respectively. The increase in revenue in current year were attributed to higher occupancy and rental rates for our malls. The higher operating profit in preceding year were attributed to higher fair value gain on investment properties.

The Group reported basic loss per share of 17.93 sen as compared to basic earnings per share of 9.08 sen recorded in the preceding year.

For illustrative purposes, tabulated below are the Group's proforma results of the current year quarter under review and the preceding year's corresponding quarter with exclusion of certain one-off items:-

	QUARTER ENDED	
	31.12.2023	31.12.2022
	RM'000	RM'000
(Loss)/profit attributable to equity holders of the Company	(245,921)	27,138
Add/(less):		
Pandemic and inflation impact on construction projects	209,365	47,782
Net fair value adjustment on Investment Properties	(6,067)	(68,053)
Net fair value adjustment of inventory properties and lands	25,272	18,083
Net fair value adjustment of a hotel held by a joint venture	(4,106)	(10,724)
Proforma net (loss)/profit	(21,457)	14,226

B1 Review of performance (Cont'd.)

For illustrative purposes, tabulated below are the Group's proforma results of current year and preceding year with exclusion of certain one-off items:-

	YEAR ENDED	
	31.12.2023	31.12.2022
(Loss)/profit attributable to equity holders of the Company	(254,148)	128,675
Add/(less):		
Pandemic and inflation impact on construction projects	197,827	47,782
Net fair value adjustment on Investment Properties	(6,067)	(68,053)
Net fair value adjustment of inventory properties and lands	25,272	18,083
Net fair value adjustment of a hotel held by a joint venture	(4,106)	(10,724)
Proforma net (loss)/ profit	(41,222)	115,763

B2 Comparison With Immediate Preceding Quarter's Results

For the current quarter under review, the Group's revenue decreased by 19% to RM402 million as compared with RM497 million in the immediate preceding quarter. The Group recorded loss attributable to equity holders of RM246 million in the current quarter as compared with RM14 million in the immediate preceding quarter. The loss in the current quarter is mainly due to erosion of budgeted margins due to additional cost provisions.

B3 Profit for the period

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	CURRENT QUARTER 31.12.2023 RM'000	PRECEDING FINANCIAL YEAR CORRESPONDING QUARTER 31.12.2022 RM'000	CURRENT CUMULATIVE QUARTER 31.12.2023 RM'000	PRECEDING CORRESPONDING QUARTER 31.12.2022 RM'000
Profit for the period is arrived at after crediting/ (charging):				
Interest income	5,729	5,084	21,462	18,402
Interest expense and sukuk profit	(34,409)	(29,136)	(129,425)	(110,108)
Depreciation & amortisation	(10,341)	(8,906)	(38,647)	(39,427)
Property, plant and equipment written off	(3)	(56)	(3)	(663)
Net impairment of allowance for expected credit losses of receivables	9,537	18,247	9,183	20,485
Fair value gain on investment properties	7,970	61,649	7,970	61,649
Gain on disposal of property, plant and equipment	350	3,707	675	10,984
Write down in value of inventory properties and land held for development	(12,613)	(17,929)	(12,613)	(17,929)
Loss on foreign exchange	(3,557)	(1,976)	(4,896)	(1,733)

B4 Prospects For The Financial Year 2024

On 24 January 2024, Bank Negara Malaysia stated in its monetary policy statement that the global economy continues to expand, driven by domestic demand amid strong labour market conditions. There are further signs of recovery in the electrical and electronics (E&E) sector, but global trade remains soft partly due to the continued shift in spending from goods to services, and ongoing trade restrictions. While China's economy continues to show signs of improvement, its recovery remains modest given the weakness in the property market. Global headline and core inflation edged downwards in recent months but continue to be above average. On the global front, while the monetary policy stance is likely to remain tight in the near term, the tightening cycle has peaked for most central banks. The growth outlook remains subject to downside risks, mainly from an escalation of geopolitical tensions, higher-than-anticipated inflation outturns, and heightened volatility in global financial markets.

For the Malaysian economy, the fourth quarter advance estimates for GDP affirmed that the overall growth for 2023 expanded within expectations. Moving forward, growth is expected to improve in 2024, supported by the recovery in exports and resilient domestic expenditure. Continued employment and wage growth remain supportive of household spending. Tourist arrivals and spending are expected to improve further. Investment activity would be supported by continued progress of multi-year projects in both the private and public sectors, and implementation of catalytic initiatives under the national master plans. The growth outlook remains subject to downside risks stemming from weaker-than-expected external demand and larger declines in commodity production. Meanwhile, upside risks to growth mainly emanate from greater spillover from the tech upcycle, stronger-than-expected tourism activity and faster implementation of existing and new projects.

The Engineering and Construction industry have challenges but look forward to the roll out of bigger projects in Malaysia in the near future. Our Engineering and Construction Division will continue to focus on project execution and cost recovery from completed projects. To replenish our order book, we allocated more resources to secure new jobs in Malaysia and overseas. For Property Development, the resilient Malaysian economy and improvement of China growth 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 revitalise 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	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Taxation comprises:				
Malaysian income tax				
- current financial period	11,572	3,749	27,689	23,743
- prior years/ periods	(5,205)	(906)	(5,469)	(61,481)
Deferred taxation	14,186	2,541	9,418	4,290
	<u>20,553</u>	<u>5,384</u>	<u>31,638</u>	<u>(33,448)</u>

B6 Taxation (Contd')

The Group's effective tax rate for current quarter and current year ended 31 December 2023 and preceding year corresponding quarter ended 31 December 2022 (excluding the results of associates and joint ventures, which are equity accounted net of tax) were higher than the statutory tax rate mainly due to certain expenses that were not deductible for tax purposes.

The Group's effective tax rate for the preceding year ended 31 December 2022 (excluding the results of associates and joint ventures, which are equity accounted net of tax) 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 31.12.2023 RM'000	As at 31.12.2022 RM'000
Long Term Bank Borrowings		
<u>Secured:-</u>		
Term loans	547,820	347,754
Medium term notes	-	310,000
	<u>547,820</u>	<u>657,754</u>
<u>Unsecured:-</u>		
Sukuk Murabahah	660,000	510,000
	<u>1,207,820</u>	<u>1,167,754</u>
Short Term Bank Borrowings		
<u>Secured :-</u>		
Revolving credit	524,062	440,426
Term loans	331,721	186,623
Medium term notes	310,000	-
	<u>1,165,783</u>	<u>627,049</u>
<u>Unsecured :-</u>		
Trade facilities	61,169	63,295
Revolving credit	458,500	439,500
Sukuk Murabahah	200,000	500,000
	<u>719,669</u>	<u>1,002,795</u>
	<u>1,885,452</u>	<u>1,629,844</u>
Total Bank Borrowings	<u>3,093,272</u>	<u>2,797,598</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 2022 (being the date of the last annual statement of financial position) to 23 February 2024 (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 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 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 Ended 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
<u>Final single tier dividend paid</u>		
For the financial year ended 31 December 2022		
- Cash dividend of 0.50 sen per ordinary share	7,087	-
Total net dividend paid	<u>7,087</u>	<u>7,086</u>

B11 Loss Per Share- Basic/Diluted

	Quarter Ended 31.12.2023	Year-To-Date Ended 31.12.2023
(a) Basic Loss Per Share		
Loss attributable to the equity holders of the Company (RM'000)	(245,921)	(254,148)
Weighted average number of ordinary shares in issue, excluding treasury shares ('000)	1,417,236	1,417,236
Basic loss per share (sen)	(17.35)	(17.93)
(b) Fully Diluted Loss Per Share		

Fully diluted loss per share are not presented as there are no dilutive potential ordinary shares.

Date: 29 February 2024