



WCT HOLDINGS BERHAD

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

Date : 29 May 2024

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2024**

<u>Table of contents</u>	<u>Page</u>
Consolidated Statement of Profit and Loss	1
Consolidated Statement of Comprehensive Income	2
Consolidated Statement of Financial Position	3 - 4
Consolidated Statement of Changes in Equity	5
Consolidated Statement of Cash Flows	6
Explanatory notes in compliance with Malaysian Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting	7 - 11
Explanatory notes in compliance with Listing Requirements of the Bursa Malaysia	12 - 19

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 2024

(The figures have not been audited)

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.3.2024	31.3.2023	31.3.2024	31.3.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	467,388	404,646	467,388	404,646
Cost of sales	(378,627)	(339,933)	(378,627)	(339,933)
Gross profit	88,761	64,713	88,761	64,713
Other income	27,805	12,645	27,805	12,645
Other expenses	(8,416)	(6,874)	(8,416)	(6,874)
Administrative expenses	(36,904)	(27,757)	(36,904)	(27,757)
Finance costs	(38,321)	(29,263)	(38,321)	(29,263)
Share of profit after tax of associates	8,479	1,806	8,479	1,806
Share of profit after tax of joint ventures	5,661	4,435	5,661	4,435
	47,065	19,705	47,065	19,705
Income tax	(7,807)	(4,330)	(7,807)	(4,330)
Profit for the period	39,258	15,375	39,258	15,375
Attributable to:				
Equity holders of the Company	16,141	(7,688)	16,141	(7,688)
Holder of Perpetual Sukuk	24,016	23,795	24,016	23,795
Non-controlling interest	(899)	(732)	(899)	(732)
Profit for the period	39,258	15,375	39,258	15,375
Attributable to equity holders of the Company :				
Basic earnings/(loss) per share (sen)	1.14	(0.54)	1.14	(0.54)
Fully diluted earnings/(loss) per share (sen)	- ^	- ^	- ^	- ^

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

(The consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 2024

(The figures have not been audited)

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.3.2024	31.3.2023	31.3.2024	31.3.2023
	RM'000	RM'000	RM'000	RM'000
Profit for the period	39,258	15,375	39,258	15,375
Other comprehensive income:				
Currency translation differences arising from consolidation	9,220	631	9,220	631
Other comprehensive income for the period, net of tax	9,220	631	9,220	631
Total comprehensive income for the period	48,478	16,006	48,478	16,006
Total comprehensive income for the period attributable to :				
Equity holders of the Company	25,235	(7,066)	25,235	(7,066)
Holders of Perpetual Sukuk	24,016	23,795	24,016	23,795
Non-controlling interest	(773)	(723)	(773)	(723)
	48,478	16,006	48,478	16,006

(The consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 2024

	AS AT 31.3.2024 UNAUDITED RM'000	AS AT 31.12.2023 AUDITED RM'000
ASSETS		
<u>Non-current assets</u>		
Property, plant and equipment	388,708	396,219
Right-of-use assets:		
- Property, plant and equipment	35,926	37,019
- Investment properties	114,398	115,751
Intangible assets	94,970	96,708
Inventory properties under development	1,651,336	1,630,336
Investment properties	1,806,711	1,805,392
Investment in associates	202,108	190,537
Investment in joint ventures	313,272	312,486
Trade receivables	259,214	261,972
Other receivables	7,678	7,598
Deferred tax assets	18,960	17,890
	<u>4,893,281</u>	<u>4,871,908</u>
<u>Current assets</u>		
Inventory properties under development	337,291	366,882
Inventories	209,855	225,774
Trade receivables	739,341	808,373
Contract assets	1,069,489	930,998
Other receivables	391,751	438,694
Due from related parties	581,276	583,273
Tax recoverable	21,502	27,025
Cash and bank balances	431,209	414,690
	<u>3,781,714</u>	<u>3,795,709</u>
TOTAL ASSETS	<u>8,674,995</u>	<u>8,667,617</u>
EQUITY AND LIABILITIES		
<u>Equity attributable to equity holders of the Company</u>		
Share capital	3,212,796	3,212,796
Reserves	(1,478,294)	(1,487,388)
Retained earnings	1,187,632	1,171,491
Treasury shares, at costs	(381)	(381)
	<u>2,921,753</u>	<u>2,896,518</u>
Perpetual Sukuk	770,305	820,133
Non-controlling interest	(40,558)	(29,785)
Total equity	<u>3,651,500</u>	<u>3,686,866</u>

WCT HOLDINGS BERHAD

Registration Number : 201101002327 (930464-M)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024
(Cont'd.)

	AS AT 31.3.2024 UNAUDITED RM'000	AS AT 31.12.2023 AUDITED RM'000
EQUITY AND LIABILITIES (Cont'd)		
<u>Non-current liabilities</u>		
Trade payables	109,735	111,898
Contract liabilities	6,000	6,000
Other payables	29,905	29,148
Lease commitment payable	76,834	82,875
Hire purchase and lease liabilities	135,694	139,638
Borrowings	1,358,763	1,457,820
Deferred tax liabilities	138,635	137,343
	<u>1,855,566</u>	<u>1,964,722</u>
<u>Current liabilities</u>		
Trade payables	1,091,510	1,075,269
Contract liabilities	26,353	46,817
Other payables	215,817	222,013
Lease commitment payable	5,592	5,547
Hire purchase and lease liabilities	17,845	17,448
Due to related parties	1,694	1,621
Borrowings	1,792,988	1,635,452
Tax payable	16,130	11,862
	<u>3,167,929</u>	<u>3,016,029</u>
Total Liabilities	<u>5,023,495</u>	<u>4,980,751</u>
TOTAL EQUITY AND LIABILITIES	<u>8,674,995</u>	<u>8,667,617</u>
Net asset per share (RM)	2.06	2.04

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 2024

	Attributable to Equity Holders of the Company											Total equity RM'000
	Non-Distributable					Distributable						
	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		
Preceding year corresponding period												
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
(Loss)/profit for the period	-	-	-	-	-	-	(7,688)	-	(7,688)	23,795	(732)	15,375
Other comprehensive income	-	-	622	-	-	-	-	-	-	-	9	631
Total comprehensive income/(loss) for the period	-	-	622	-	-	-	(7,688)	-	(7,688)	23,795	(723)	16,006
Distribution to holders of Perpetual Sukuk	-	-	-	-	-	-	-	-	(23,795)	-	-	(23,795)
Amortization of transaction cost	-	-	-	-	-	-	-	-	171	-	-	171
At 31 March 2023	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
Current year to date												
At 1 January 2024	3,212,796	(381)	(1,554,791)	(64,141)	61,646	-	68,460	1,438	1,171,491	820,133	(29,785)	3,686,866
Profit/(loss) for the period	-	-	-	-	-	-	-	-	16,141	24,016	(899)	39,258
Other comprehensive income	-	-	9,094	-	-	-	-	-	9,094	-	126	9,220
Total comprehensive income/(loss) for the period	-	-	9,094	-	-	-	-	-	16,141	24,016	(773)	48,478
Distribution to holders of Perpetual Sukuk	-	-	-	-	-	-	-	-	(24,016)	-	-	(24,016)
Redemption of Perpetual Sukuk	-	-	-	-	-	-	-	-	(50,000)	-	-	(50,000)
Redemption of preference shares of a subsidiary subscribed by non-controlling interest	-	-	-	-	-	-	-	-	-	-	(10,000)	(10,000)
Amortization of transaction cost	-	-	-	-	-	-	-	-	-	172	-	172
At 31 March 2024	3,212,796	(381)	(1,554,791)	(55,047)	61,646	-	68,460	1,438	1,187,632	770,305	(40,558)	3,651,500

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 2024

	Year-To-Date Ended	
	31.3.2024 UNAUDITED RM'000	31.3.2023 UNAUDITED RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	47,065	19,705
Adjustments for:-		
Non-cash items	15,620	7,190
Non-operating items - financing	29,093	21,544
Non-operating items - investing	(13,758)	(6,361)
Operating profit before working capital changes	78,020	42,078
Net changes in assets	33,875	(36,128)
Net changes in liabilities	(49,002)	(6,726)
Cash flows generated from/(used in) operating activities	62,893	(776)
Taxation refunded	1,956	3,356
Net cash generated from operating activities	64,849	2,580
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption of preference shares of a subsidiary subscribed by a non-controlling interest	(10,000)	-
Interest received	9,228	7,719
Property, plant and equipment	(245)	(10,475)
Investment properties	(419)	-
Dividend received from joint ventures	5,000	-
Withdrawal of/(placement in) deposits with licensed banks	2,259	(12,331)
Net cash generated from/(used in) investing activities	5,823	(15,087)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(35,910)	(28,144)
Distribution to holders of Perpetual Sukuk	(24,016)	(23,795)
Redemption of Perpetual Sukuk	(50,000)	-
Payment of principal portion of lease liabilities	(6,536)	(7,676)
Net drawdown of borrowings	58,479	30,133
Net cash used in financing activities	(57,983)	(29,482)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR	12,689	(41,989)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	324,518	156,963
Foreign exchange differences	6,090	95
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR *	343,297	115,069

* Cash & cash equivalents excludes cash and deposits with licensed bank pledged as security amounting to RM86,949,379 and deposits with maturities more than 3 months amounting to RM962,628.

(The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 2023. 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 2023.

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 2023, except for the adoption of the following new Malaysian Financial Reporting Standards ("MFRSs") and Amendments to MFRSs with effect from 1 January 2024.

MFRSs and Amendments to MFRSs

Description	Effective for annual periods beginning on or after
Amendments to MFRS 101 Presentation of Financial Statements: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 16 Leases: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101 Presentation of Financial Statements: Non-current liabilities with Covenants	1 January 2024
Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements	1 January 2024

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 2023.

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 2024.

A6 Changes In Estimates

There were no changes in estimates that have had any material effect during the current quarter ended 31 March 2024.

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 2024.

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 2024						
Revenue						
External	286,616	117,816	62,956	-	-	467,388
Inter segment	43,132	-	1,195	-	(44,327)	-
	<u>329,748</u>	<u>117,816</u>	<u>64,151</u>	<u>-</u>	<u>(44,327)</u>	<u>467,388</u>
Segment results						
Profit from operations	31,324	7,901	32,021	-	-	71,246
Share of results of associates	(233)	9,247	-	(535)	-	8,479
Share of results of joint ventures	-	(1,602)	7,263	-	-	5,661
Finance costs						(38,321)
Taxation						(7,807)
Profit for the financial period						<u>39,258</u>
Profit attributable to :-						
- Equity holders of the Company						16,141
- Holders of Perpetual Sukuk						24,016
- Non-controlling interest						(899)
						<u>39,258</u>
3 months period ended 31 March 2023						
Revenue						
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	10,420	4,707	27,600	-	-	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						(732)
						<u>15,375</u>

A10 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 2023.

A11 Subsequent Material Events

On 28 May 2024, WCT Berhad (“WCTB”), WCT Land Sdn Bhd (“WCTL”) both wholly-owned subsidiaries of the Company and Segi Astana Sdn Bhd (“SASB”) a 70% owned jointly controlled entity entered into a supplemental agreement with Malaysia Airports Holdings Berhad (“MAHB”) and Malaysia Airports (Sepang) Sdn Bhd (“MA Sepang”) (“Supplemental Agreement”) for the purpose of varying the terms and conditions of the following principal agreements further to MAHB’s agreement on the proposed extension of the concession period in favour of SASB for a further period of twenty-two (22) years (“Second Extension”) subject to the terms and conditions as stipulated therein:

- (i) The Principal Concession Agreement entered into between MAHB, WCTB and SASB;
- (ii) The Principal Sub-Lease Annexure entered into between MA Sepang and SASB; and
- (iii) The Principal Shareholders Agreement entered into between WCTL, MAHB and SASB

Pursuant to the Principal Concession Agreement, MAHB agreed to grant to WCTB the Concession (as defined in the Principal Concession Agreement), being the sole and exclusive right and authority to design, construct and complete the KLIA-2 Integrated Complex, now known as gateway@klia2 on part of the Master Land measuring approximately 22.6 acres in area and any future expansion or modification thereof as well as to manage, operate and maintain the gateway@klia2 and to demand, collect and retain the revenue therefrom, as more particularly described in the Principal Concession Agreement. WCTB had in accordance with the terms of the Principal Concession Agreement nominated SASB to undertake the Concession.

Subject to the conditions precedent as set out in the Supplemental Agreement (“Conditions”) being satisfied or fulfilled by SASB, MAHB and MA Sepang, MAHB agreed to grant the Second Extension in favor of SASB upon the expiry of the first extension on 31 August 2047 (“First Extension”) in consideration of the issuance and allotment by SASB to MAHB of thirty-four million nineteen thousand two hundred forty-six (34,019,246) new fully paid up Ordinary Shares in the capital of SASB.

In accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards, the Second Extension and the allotment of Additional Shares to MAHB will result in a change of WCT Group’s interest in SASB. Consequently, the change in WCT Group’s interest in SASB will result in a net gain after tax on remeasurement amounting to approximately RM184 million or RM0.13 per share, upon fulfilment of the Conditions, for the financial year ending 31 December 2024.

Save as disclosed above, there was no material event subsequent to the quarter ended 31 March 2024.

A12 Effects Of Changes In The Composition Of The Group

- (i) On 19 March 2024, WCT Bahrain W.L.L. was incorporated in the Kingdom of Bahrain with an issued and paid-up share capital of 500 shares or Bahraini Dinar of BHD5,000 (approximately RM62,000*). WCT Berhad had subscribed for 49% of the share capital of WCT Bahrain W.L.L. and the remaining 51% was subscribed by a third party, Pinnacle W.L.L..

* Based on exchanges rate as at 19 March 2024

Save as disclosed above, there were no material changes in the Group's composition during the current quarter ended 31 March 2024.

A13 Contingent Liabilities

Contingent liabilities of the Group as at 23 May 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 RM478.568 million and RM8.099 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 RM15.8 million. The changes in contingent liabilities since 31 December 2023 are as follows:-

(a) Bank Guarantees and Letters of credit	Bank Guarantees RM'000	Letters of credit RM'000
Balance as at 31 December 2023	452,074	7,445
Extended/utilised during the financial period	28,091	4,587
Discharged/paid during the financial period	<u>(1,597)</u>	<u>(3,933)</u>
Balance as at 23 May 2024	<u>478,568</u>	<u>8,099</u>

- (b) The tax matters under appeal of the Group totalling RM15.8 million are in respect of corporation tax and service tax of a foreign branch and subsidiary.

A14 Capital Commitments

There are no material commitments except for as follows:-

	31.3.2024 RM'000
Approved and contracted for :	
Property, plant and equipment	2,941

A15 Significant Related Party Transactions

The Group had the following significant transactions with related parties during the period ended 31 March 2024:

	RM'000
Contract revenue from associates	13,381
Contract revenue from companies in which a director has interests	113,481
Contract costs to a company in which a director has interests	94,424
Interest receivable from joint ventures	4,988
Management fee receivable from joint ventures and associates	1,945
Lease expense payable to companies in which certain directors have interests	<u>309</u>

B EXPLANATORY NOTES IN COMPLIANCE WITH LISTING REQUIREMENTS OF BURSA MALAYSIA

B1 Review of performance

For the current quarter under review, the Group recorded revenue and profit attributable to equity holders of RM467 million and RM16 million respectively, as compared to the preceding year corresponding quarter's revenue and loss attributable to equity holders of RM405 million and RM8 million.

Engineering and Construction segment continues to be the Group's main contributor of revenue of RM286 million, accounting for 61% of the Group's consolidated revenue. Property Development and Property Investment & Management segments contributed RM118 million and RM63 million respectively, representing approximately 25% and 14% of the Group's consolidated revenue.

Engineering and Construction

For current year-to-date, this segment recorded revenue and operating profit of RM286 million and RM31 million respectively, as compared to the preceding year corresponding period ("1Q2023")'s revenue and operating profit of RM304 million and RM10 million. Lower revenue in current period was mainly due to slower construction progress whereas the reversal of certain accrued costs positively impacted profits .

Property Development

For current year-to-date, this segment achieved higher revenue of RM118 million (1Q2023:RM48 million) and higher operating profits of RM8 million (1Q2023: RM5 million) respectively. The increase in revenue and operating profit were primarily driven by higher sales of properties in the current period.

Property Investment and Management

For current year-to-date, this segment achieved higher revenue of RM63 million (1Q2023: RM52 million) and higher operating profits of RM32 million (1Q2023: RM28 million) respectively. The increase in revenue and operating profit in current period were attributed to higher occupancy and rental rates for our malls.

The Group reported basic earnings per share of 1.14 sen as compared to basic loss per share of 0.54 sen recorded in 1Q2023.

B2 Comparison With Immediate Preceding Quarter's Results

For the current quarter under review, the Group's revenue increased by 16% to RM467 million as compared with RM402 million in the immediate preceding quarter. The Group recorded profit attributable to equity holders of RM16 million in the current quarter as compared with loss attributable to equity holders of RM246 million in the immediate preceding quarter. The loss in the immediate preceding quarter was due to the reversal of profits which have been accrued on the various projects resulting from prolongation, materials and labour costs escalation

B3 Profit for the period

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	CURRENT QUARTER 31.3.2024 RM'000	PRECEDING FINANCIAL YEAR CORRESPONDING QUARTER 31.3.2023 RM'000	CURRENT CUMULATIVE QUARTER 31.3.2024 RM'000	PRECEDING CORRESPONDING QUARTER 31.3.2023 RM'000
Profit for the period is arrived at after crediting/ (charging):				
Interest income	5,822	4,745	5,822	4,745
Interest expense and sukuk profit	(38,321)	(29,263)	(38,321)	(29,263)
Depreciation & amortisation	(11,027)	(9,622)	(11,027)	(9,622)
Net impairment of allowance for expected credit losses of receivables	1,003	(196)	1,003	(196)
Gain on disposal of property, plant and equipment	71	279	71	279
Loss on foreign exchange	(7,618)	(1,438)	(7,618)	(1,438)

B4 Prospects For The Financial Year 2024

On 9 May 2024, Bank Negara Malaysia stated in its monetary policy statement that the global economy continues to expand amid resilient labour markets in some countries and continued recovery in global trade. Looking ahead, global growth is expected to be sustained, as headwinds from tight monetary policy and reduced fiscal support will be cushioned by positive labour market conditions and moderating inflation. Global trade is expected to strengthen further as the global tech upcycle gains momentum. While global headline and core inflation continued to edge downwards in recent months, the pace for disinflation has slowed in some advanced economies. This increases the prospect of interest rates to remain high for longer, particularly in the US. The growth outlook remains subject to downside risks, mainly from further escalation of geopolitical tensions, higher-than-anticipated inflation outturns, and volatility in global financial markets.

For the Malaysian economy, the latest indicators point towards higher economic activity in the first quarter of 2024, driven by resilient domestic expenditure and a positive turnaround in exports. Going forward, the recovery in exports is expected to gather momentum supported by the global tech upcycle and continued strength in non-electrical and electronics goods. Tourist arrivals and spending are also poised to rise further. Continued employment and wage growth remain supportive of household spending. Investment activity would be supported by the ongoing progress of multi-year projects in both the private and public sectors, the implementation of catalytic initiatives under the national master plans, as well as the higher realisation of approved investments. The growth outlook is subject to downside risks 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, more robust 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 in arrival of tourists will continue to revitalise the five retails malls under the Group's management, in particular the airport malls, as well as the 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	
	31.3.2024	31.3.2023	31.3.2024	31.3.2023
	RM'000	RM'000	RM'000	RM'000
Taxation comprises:				
Malaysian income tax				
- current financial period	7,836	5,949	7,836	5,949
Deferred taxation	(29)	(1,619)	(29)	(1,619)
	<u>7,807</u>	<u>4,330</u>	<u>7,807</u>	<u>4,330</u>

The Group's effective tax rate for current quarter (excluding the results of associates and joint ventures, which are equity accounted net of tax) was approximately equal to the statutory tax rate.

The Group's effective tax rate for preceding year corresponding quarter (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.

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 31.3.2024 RM'000	As at 31.12.2023 RM'000
Long Term Borrowings		
<u>Secured:-</u>		
Term loans	848,763	797,820
<u>Unsecured:-</u>		
Sukuk Murabahah	510,000	660,000
	1,358,763	1,457,820
Short Term Borrowings		
<u>Secured :-</u>		
Revolving credit	486,888	524,062
Term loans	83,416	81,721
Medium term notes	310,000	310,000
	880,304	915,783
<u>Unsecured :-</u>		
Trade facilities	54,184	61,169
Revolving credit	458,500	458,500
Sukuk Murabahah	400,000	200,000
	912,684	719,669
	1,792,988	1,635,452
Total Borrowings	3,151,751	3,093,272

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 2023 (being the date of the last annual statement of financial position) to 23 May 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 Ending 31 Dec 2024 RM'000	Paid in Year Ended 31 Dec 2023 RM'000
<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	-	7,087

B11 Earnings Per Share- Basic/Diluted

	Year-To-Date Ended 31.3.2024
(a) Basic Earnings Per Share	
Earnings attributable to the equity holders of the Company (RM'000)	16,141
Weighted average number of ordinary shares in issue, excluding treasury shares ('000)	1,417,236
Basic earnings per share (sen)	1.14

(b) Fully Diluted Earnings Per Share

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

Date: 29 May 2024