



**WCT HOLDINGS BERHAD**

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

**Date : 27 August 2024**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2024**

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**WCT HOLDINGS BERHAD**

Registration Number : 201101002327 (930464-M)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2024**

( The figures have not been audited )

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	376,328	424,472	843,716	829,118
Cost of sales	(299,425)	(358,634)	(678,052)	(698,567)
<b>Gross profit</b>	<b>76,903</b>	<b>65,838</b>	<b>165,664</b>	<b>130,551</b>
Other income	27,419	18,872	55,224	31,517
Other expenses	(7,994)	(6,394)	(16,410)	(13,268)
Administrative expenses	(36,784)	(31,833)	(73,688)	(59,590)
Finance costs	(35,873)	(31,141)	(74,194)	(60,404)
Share of profit after tax of associates	8,876	4,400	17,355	6,206
Share of profit after tax of joint ventures	5,724	3,171	11,385	7,606
	38,271	22,913	85,336	42,618
Income tax	(8,148)	(10,752)	(15,955)	(15,082)
Profit for the period	<b>30,123</b>	<b>12,161</b>	<b>69,381</b>	<b>27,536</b>
Attributable to:				
Equity holders of the Company	31,271	13,005	47,412	5,317
Holder of Perpetual Sukuk	-	-	24,016	23,795
Non-controlling interest	(1,148)	(844)	(2,047)	(1,576)
Profit for the period	<b>30,123</b>	<b>12,161</b>	<b>69,381</b>	<b>27,536</b>
Attributable to equity holders of the Company :				
Basic earnings per share (sen)	<b>2.21</b>	<b>0.92</b>	<b>3.35</b>	<b>0.38</b>
Fully diluted earnings per share (sen)	- ^	- ^	- ^	- ^

^ Fully diluted earnings 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 30 JUNE 2024**

( The figures have not been audited )

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	RM'000	RM'000	RM'000	RM'000
Profit for the period	30,123	12,161	69,381	27,536
Other comprehensive (loss)/income:				
Currency translation differences arising from consolidation	(4,455)	14,852	4,765	15,483
Other comprehensive (loss)/income for the period, net of tax	(4,455)	14,852	4,765	15,483
Total comprehensive income for the period	25,668	27,013	74,146	43,019
Total comprehensive income for the period attributable to :				
Equity holders of the Company	26,523	27,616	51,758	20,550
Holders of Perpetual Sukuk	-	-	24,016	23,795
Non-controlling interest	(855)	(603)	(1,628)	(1,326)
	25,668	27,013	74,146	43,019

(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 30 JUNE 2024**

	<b>AS AT 30.6.2024 UNAUDITED RM'000</b>	<b>AS AT 31.12.2023 AUDITED RM'000</b>
<b>ASSETS</b>		
<b><u>Non-current assets</u></b>		
Property, plant and equipment	385,236	396,219
Right-of-use assets:		
- Property, plant and equipment	35,111	37,019
- Investment properties	113,015	115,751
Intangible assets	93,233	96,708
Inventory properties under development	1,488,186	1,630,336
Investment properties	1,806,887	1,805,392
Investment in associates	205,506	190,537
Investment in joint ventures	309,017	312,486
Trade receivables	259,460	261,972
Other receivables	7,746	7,598
Deferred tax assets	18,342	17,890
	<u>4,721,739</u>	<u>4,871,908</u>
<b><u>Current assets</u></b>		
Inventory properties under development	488,661	366,882
Inventories	196,819	225,774
Trade receivables	754,197	808,373
Contract assets	1,119,245	930,998
Other receivables	327,323	438,694
Due from related parties	599,460	583,273
Tax recoverable	22,775	27,025
Cash and bank balances	328,720	414,690
	<u>3,837,200</u>	<u>3,795,709</u>
<b>TOTAL ASSETS</b>	<u><b>8,558,939</b></u>	<u><b>8,667,617</b></u>
<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	(1,483,042)	(1,487,388)
Retained earnings	1,218,903	1,171,491
Treasury shares, at costs	(381)	(381)
	<u>2,948,276</u>	<u>2,896,518</u>
Perpetual Sukuk	770,476	820,133
Non-controlling interest	(56,413)	(29,785)
<b>Total equity</b>	<u><b>3,662,339</b></u>	<u><b>3,686,866</b></u>

**WCT HOLDINGS BERHAD**

Registration Number : 201101002327 (930464-M)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024**  
**(Cont'd.)**

	<b>AS AT 30.6.2024 UNAUDITED RM'000</b>	<b>AS AT 31.12.2023 AUDITED RM'000</b>
<b>EQUITY AND LIABILITIES (Cont'd)</b>		
<b><u>Non-current liabilities</u></b>		
Trade payables	123,150	111,898
Contract liabilities	6,000	6,000
Other payables	30,724	29,148
Lease commitment payable	73,588	82,875
Hire purchase and lease liabilities	131,437	139,638
Borrowings	1,069,163	1,457,820
Deferred tax liabilities	141,891	137,343
	<u>1,575,953</u>	<u>1,964,722</u>
<b><u>Current liabilities</u></b>		
Trade payables	1,038,467	1,075,269
Contract liabilities	38,645	46,817
Other payables	174,332	222,013
Lease commitment payable	5,644	5,547
Hire purchase and lease liabilities	17,665	17,448
Due to related parties	2,173	1,621
Borrowings	2,026,663	1,635,452
Tax payable	17,058	11,862
	<u>3,320,647</u>	<u>3,016,029</u>
<b>Total Liabilities</b>	<u>4,896,600</u>	<u>4,980,751</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>8,558,939</u>	<u>8,667,617</u>
Net asset per share (RM)	2.08	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 30 JUNE 2024**

	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	Total RM'000		Perpetual Sukuk RM'000	Non-controlling interest RM'000
<i>Preceding year corresponding period</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	3,138,699	819,449	(51,638)	3,906,510
Profit/(loss) for the period	-	-	-	-	-	-	-	-	5,317	5,317	23,795	(1,576)	27,536
Other comprehensive income	-	-	-	15,233	-	-	-	-	-	15,233	-	250	15,483
Total comprehensive income/(loss) for the period	-	-	-	15,233	-	-	-	-	5,317	20,550	23,795	(1,326)	43,019
Distribution to holders of Perpetual Sukuk	-	-	-	-	-	-	-	-	-	-	(23,795)	-	(23,795)
Amortization of transaction cost	-	-	-	-	-	-	-	-	-	-	342	-	342
<b>At 30 June 2023</b>	3,212,796	(381)	(1,554,791)	(62,893)	61,646	3,797	63,392	1,438	1,434,245	3,150,249	819,791	(52,964)	3,926,076
<i>Current year to date</i>													
<b>At 1 January 2024</b>	3,212,796	(381)	(1,554,791)	(64,141)	61,646	-	68,460	1,438	1,171,491	2,896,518	820,133	(29,785)	3,686,866
Profit/(loss) for the period	-	-	-	-	-	-	-	-	47,412	47,412	24,016	(2,047)	69,381
Other comprehensive income	-	-	-	4,346	-	-	-	-	-	4,346	-	419	4,765
Total comprehensive income/(loss) for the period	-	-	-	4,346	-	-	-	-	47,412	51,758	24,016	(1,628)	74,146
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	-	-	-	-	-	-	-	-	-	-	-	(25,000)	(25,000)
Amortization of transaction cost	-	-	-	-	-	-	-	-	-	-	343	-	343
<b>At 30 June 2024</b>	3,212,796	(381)	(1,554,791)	(59,795)	61,646	-	68,460	1,438	1,218,903	2,948,276	770,476	(56,413)	3,662,339

(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 30 JUNE 2024**

	Year-To-Date Ended	
	30.6.2024 UNAUDITED RM'000	30.6.2023 UNAUDITED RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	85,336	42,618
Adjustments for:-		
Non-cash items	23,465	11,207
Non-operating items - financing	53,490	44,166
Non-operating items - investing	(26,714)	(13,421)
Operating profit before working capital changes	<u>135,577</u>	<u>84,570</u>
Net changes in assets	29,542	(139,604)
Net changes in liabilities	(94,118)	34,301
Cash flows generated from/(used in) operating activities	<u>71,001</u>	<u>(20,733)</u>
Taxation paid	(2,665)	(2,355)
Net cash generated from/(used in) operating activities	<u>68,336</u>	<u>(23,088)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Redemption of preference shares of a subsidiary subscribed by a non-controlling interest	(25,000)	-
Interest received	20,703	16,238
Property, plant and equipment	(5,371)	(20,551)
Investment properties	(595)	-
Dividend received from joint ventures	15,000	-
Withdrawal of deposits with licensed banks	11,048	1,419
Net cash generated from/(used in) investing activities	<u>15,785</u>	<u>(2,894)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(81,642)	(70,059)
Distribution to holders of Perpetual Sukuk	(24,016)	(23,795)
Redemption of Perpetual Sukuk	(50,000)	-
Payment of principal portion of lease liabilities	(13,053)	(14,302)
Net drawdown of borrowings	2,554	232,848
Net cash (used in)/generated from financing activities	<u>(166,157)</u>	<u>124,692</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR</b>	<b>(82,036)</b>	<b>98,710</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>324,518</b>	<b>156,963</b>
Foreign exchange differences	7,115	8,939
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR *</b>	<b><u>249,597</u></b>	<b><u>264,612</u></b>

\* Cash & cash equivalents excludes cash and deposits with licensed bank pledged as security amounting to RM78,160,914 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**

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
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 30 June 2024.

**A6 Changes In Estimates**

There were no changes in estimates that have had any material effect during the current quarter ended 30 June 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 30 June 2024.

**A8 Dividends**

Please refer to Explanatory Note B10.

**A9 Segmental Information**

	<b>Investment holding, Engineering and construction RM'000</b>	<b>Property development RM'000</b>	<b>Property investment and management RM'000</b>	<b>Unallocated RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>6 months period ended 30 June 2024</b>						
<b>Revenue</b>						
External	473,084	244,526	126,106	-	-	843,716
Inter segment	89,117	-	2,391	-	(91,508)	-
	<u>562,201</u>	<u>244,526</u>	<u>128,497</u>	<u>-</u>	<u>(91,508)</u>	<u>843,716</u>
<b>Segment results</b>						
Profit from operations	42,531	24,046	64,213	-	-	130,790
Share of results of associates	(535)	17,689	-	201	-	17,355
Share of results of joint ventures	-	(3,433)	14,818	-	-	11,385
Finance costs						(74,194)
Taxation						(15,955)
Profit for the financial period						<u>69,381</u>
Profit attributable to :-						
- Equity holders of the Company						47,412
- Holders of Perpetual Sukuk						24,016
- Non-controlling interest						(2,047)
						<u>69,381</u>
<b>6 months period ended 30 June 2023</b>						
<b>Revenue</b>						
External	578,609	145,882	104,627	-	-	829,118
Inter segment	77,931	-	2,391	-	(80,322)	-
	<u>656,540</u>	<u>145,882</u>	<u>107,018</u>	<u>-</u>	<u>(80,322)</u>	<u>829,118</u>
<b>Segment results</b>						
Profit from operations	22,572	15,961	50,677	-	-	89,210
Share of results of associates	17	5,027	-	1,162	-	6,206
Share of results of joint ventures	556	(3,308)	10,358	-	-	7,606
Finance costs						(60,404)
Taxation						(15,082)
Profit for the financial period						<u>27,536</u>
Profit attributable to :-						
- Equity holders of the Company						5,317
- Holders of Perpetual Sukuk						23,795
- Non-controlling interest						(1,576)
						<u>27,536</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

There was no material event subsequent to the quarter ended 30 June 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

- (ii) On 25 April 2024, W Facade Sdn. Bhd., a wholly-owned subsidiary of WCT Construction Sdn. Bhd. ("WCTC"), which is in turn an indirectly wholly-owned subsidiary of the Company, increased its issued share capital from RM2 to RM2,000,000 through the allotment of 1,999,998 ordinary shares. WCTC subscribed to 1,699,998 ordinary shares for a total cash consideration of RM1,699,998, while a third party subscribed to the remaining 300,000 ordinary shares for a total cash consideration of RM300,000. As a result, WCTC's equity interest in W Facade Sdn. Bhd. was reduced from 100% to 85%.

Save as disclosed above, there were no material changes in the Group's composition during the current quarter ended 30 June 2024.

#### A13 Contingent Liabilities

Contingent liabilities of the Group as at 21 August 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 RM479.497 million and RM1.776 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 RM17.9 million. The changes in contingent liabilities since 31 December 2023 are as follows:-

(a) Bank Guarantees and Letters of credit	<b>Bank Guarantees RM'000</b>	<b>Letters of credit RM'000</b>
Balance as at 31 December 2023	452,074	7,445
Extended/utilised during the financial period	61,421	5,621
Discharged/paid during the financial period	(33,998)	(11,290)
Balance as at 21 August 2024	<u>479,497</u>	<u>1,776</u>

- (b) The tax matters under appeal of the Group totalling RM17.9 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:-

	<b>30.6.2024</b>
	<b>RM'000</b>
Approved and contracted for :	
Property, plant and equipment	2,804

#### A15 Significant Related Party Transactions

The Group had the following significant transactions with related parties during the period ended 30 June 2024:

	<b>RM'000</b>
Contract revenue from associates	21,853
Contract revenue from companies in which a director has interests	164,728
Contract costs to a company in which a director has interests	96,198
Interest receivable from joint ventures	11,837
Management fee receivable from joint ventures and associates	3,900
Lease expense payable to companies in which certain directors have interests	<u>619</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 RM376 million and RM31 million respectively, as compared to the preceding year corresponding quarter of RM424 million and RM13 million. Profit attributable to equity holders increased by RM18 million, driven by improved performance across all segments of the Group.

Engineering and Construction segment continues to be the Group's main contributor of revenue of RM186 million, accounting for 50% of the Group's consolidated revenue. Property Development and Property Investment & Management segments contributed RM127 million and RM63 million respectively, representing approximately 34% and 16% of the Group's consolidated revenue.

For the current year-to-date, the Group's revenue increased by 2%, from RM829 million to RM844 million, while profit attributable to equity holders increased from RM5 million to RM47 million. These increases are attributed to the improved performance across all segments of the Group.

#### Engineering and Construction

For current year-to-date, this segment recorded revenue and operating profit of RM473 million and RM43 million respectively, as compared to the preceding year corresponding period ("2Q2023")'s revenue and operating profit of RM579 million and RM23 million. Lower revenue in current period was mainly due to slower construction progress.

#### Property Development

For current year-to-date, this segment achieved higher revenue of RM245 million (2Q2023:RM146 million) and higher operating profits of RM24 million (2Q2023: RM16 million) respectively. The increase in revenue and operating profit were primarily driven by higher sales and billing of properties in the current period.

#### Property Investment and Management

For current year-to-date, this segment achieved higher revenue of RM126 million (2Q2023: RM105 million) and higher operating profits of RM64 million (2Q2023: RM51 million) respectively. The increase in revenue and operating profit in current period were attributed to higher occupancy and rental rates for our malls as well as higher contribution from hotels.

The Group reported basic earnings per share of 3.35 sen as compared to basic earnings per share of 0.38 sen recorded in 2Q2023.

## B2 Comparison With Immediate Preceding Quarter's Results

For current year-to-date, the Group recorded revenue of RM376 million, compared to RM467 million in the previous quarter. Profit attributable to equity holders for the current quarter was RM31 million, an increase from RM16 million in the preceding quarter. The lower profit attributable to equity holders in the preceding quarter mainly due to profit distribution to holders of Perpetual Sukuk.

## B3 Profit for the period

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	CURRENT QUARTER 30.6.2024 RM'000	PRECEDING FINANCIAL YEAR CORRESPONDING QUARTER 30.6.2023 RM'000	CURRENT CUMULATIVE QUARTER 30.6.2024 RM'000	PRECEDING CORRESPONDING QUARTER 30.6.2023 RM'000
Profit for the period is arrived at after crediting/ (charging):				
Interest income	7,230	5,506	13,052	10,251
Interest expense and sukuk profit	(35,873)	(31,141)	(74,194)	(60,404)
Depreciation & amortisation	(9,934)	(9,553)	(20,961)	(19,175)
Net impairment of allowance for expected credit losses of receivables	247	92	1,250	(104)
(Loss)/gain on disposal of property, plant and equipment	(261)	82	(190)	361
(Loss)/gain on foreign exchange	(1,321)	1,135	(8,939)	(303)

#### **B4 Prospects For The Financial Year 2024**

On 11 July 2024, Bank Negara Malaysia stated in its monetary policy statement that the global economy continues to expand amid resilient labour markets 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 continues to strengthen as the global tech upcycle gains momentum. Global headline and core inflation continued to edge downwards in recent months with some central banks commencing monetary policy easing. 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 sustained strength in economic activity in the second quarter of 2024, driven by resilient domestic expenditure and better export performance. Going forward, exports are expected to be further lifted by the global tech upcycle given Malaysia's position in the semiconductor supply chain, as well as continued strength in non-electrical and electronics goods. Tourist arrivals and spending are also poised to rise further. Continued employment and wage growth, as well as policy measures, will continue to support 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 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	
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	RM'000	RM'000	RM'000	RM'000
Taxation comprises:				
Malaysian income tax				
- current financial period	4,474	11,049	12,094	16,998
- prior years/ periods	(199)	(19)	17	(19)
Deferred taxation	3,873	(278)	3,844	(1,897)
	<u>8,148</u>	<u>10,752</u>	<u>15,955</u>	<u>15,082</u>

The Group's effective tax rate for current quarter and current cumulative quarter ended 30 June 2024, preceding year corresponding quarter and preceding year cumulative quarter ended 30 June 2023 (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

Save as disclosed below, the Group did not announce any corporate proposal which has not been completed as at 21 August 2024 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

(i) 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:

- (a) The Principal Concession Agreement entered into between MAHB, WCTB and SASB;
- (b) The Principal Sub-Lease Annexure entered into between MA Sepang and SASB; and
- (c) 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.



## **B7 Status of Corporate Proposals Announced (Contd')**

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 2027 ("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 ("Additional Shares").

Upon the issuance and allotment of Additional Shares, the proportion of the Ordinary Shares held by WCTL and MAHB in SASB shall be at the ratio of 53:47.

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.

- (ii) On 3 July 2024, the Company announced a proposal to establish and list a Real Estate Investment Trust ("REIT") on the Main Market of Bursa Securities ("Proposed REIT Establishment and Listing"). The initial investment portfolio of the REIT will comprise retail properties currently owned by the subsidiaries or joint venture companies of the Company to be identified ("Subject Properties").

The Proposed REIT Establishment and Listing will involve the following:

- (a) proposed establishment of the REIT by the Company;
- (b) proposed disposal by the subsidiaries or joint venture companies of the Company of their entire interest in the Subject Properties to the REIT where the disposal consideration is to be satisfied via a combination of cash and issuance of new units in the REIT ("Units");
- (c) proposed initial public offering of the Units; and
- (d) proposed admission of the REIT to the Official List of the Main Market of Bursa Securities and the listing of and quotation for the Units on the Main Market of Bursa Securities.

The Proposed REIT Establishment and Listing will be subject to, among others, the valuation of the Subject Properties to be conducted, the finalisation of the structure, terms and conditions, the necessary approvals, waivers and/or consents from the relevant authorities/parties and the approval of the shareholders of the Company.

- (iii) On 2 August 2024, the Company announced a proposal to undertake a placement of up to 141,664,000 new ordinary shares in the Company ("Placement Shares"), representing up to 10% of the total number of issued shares of the Company ("Proposed Placement").

The issue price shall be fixed after taking into consideration prevailing market conditions and shall be priced at a discount of not more than 10.00% to the volume-weighted average market price ("VWAP") of the Company's shares for the 5 market days up to and including the last trading day immediately preceding to the price-fixing date(s). The proceeds to be raised from the Proposed Placement is dependent upon the issue price and actual number of the Placement Shares.

## B7 Status of Corporate Proposals Announced (Contd')

The gross proceeds to be raised from the Proposed Placement will be used for part repayment of bank borrowings of the Company and its subsidiaries, working capital and defray estimated expenses relating to the Proposed Placement.

On 8 August 2024, Bursa Malaysia approved the listing and quotation of up to 141,664,000 Placement Shares to be issued pursuant to the Proposed Placement on the Main Market of Bursa Malaysia subject to fulfillment of certain conditions.

On 23 August 2024 the Company fixed the issue price for the first tranche of Placement Shares which will comprise of 80,000,000 Placement Shares, representing approximately 5.64% of the total issued Shares of 1,417,236,000 (excluding 914,471 treasury shares) as at 23 August 2024, at RM0.91 per Placement Share ("Issue Price") to successfully identified placees ("First Tranche").

The Issue Price represents a discount of approximately 9.69% to the VWAMP of the Shares for the 5 market days up to and including 23 August 2024 of RM1.0076 per Share. Accordingly, the gross proceeds from the Placement is approximately RM72.80 million.

To-date, no Placement Shares have been issued pursuant to the Proposed Placement.

## B8 Group Borrowings And Debt Securities

Details of the Group's borrowings are as follows:-

	As at 30.6.2024 RM'000	As at 31.12.2023 RM'000
<b>Long Term Borrowings</b>		
<u>Secured:-</u>		
Term loans	609,163	797,820
<u>Unsecured:-</u>		
Sukuk Murabahah	460,000	660,000
	1,069,163	1,457,820
<b>Short Term Borrowings</b>		
<u>Secured :-</u>		
Revolving credit	427,970	524,062
Term loans	348,167	81,721
Medium term notes	310,000	310,000
	1,086,137	915,783
<u>Unsecured :-</u>		
Trade facilities	32,026	61,169
Revolving credit	458,500	458,500
Sukuk Murabahah	450,000	200,000
	940,526	719,669
	2,026,663	1,635,452
<b>Total Borrowings</b>	3,095,826	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 21 August 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<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 duly received all the quarterly instalments from Meydan in accordance with and pursuant to the payment schedule in the Settlement Agreement. The Settlement Sum has therefore been received in full.

\* 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

	<b>Paid in Year Ending 31 Dec 2024 RM'000</b>	<b>Paid in Year Ended 31 Dec 2023 RM'000</b>
<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

	<b>Quarter Ended 30.6.2024</b>	<b>Year-To-Date Ended 30.6.2024</b>
<b>(a) Basic Earnings Per Share</b>		
Earnings attributable to the equity holders of the Company (RM'000)	31,271	47,412
Weighted average number of ordinary shares in issue, excluding treasury shares ('000)	1,417,236	1,417,236
Basic earnings per share (sen)	2.21	3.35

### (b) Fully Diluted Earnings Per Share

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

Date: 27 August 2024