WCT Holdings Berhad
(201101002327/930464-M)

ANNUAL REPORT **2021**

INSPIRING *Hope*

WCT means Winning through Commitment and Teamwork built upon the foundation of Humility and Respect

CONTENTS

VISION

Excel in areas of our expertise for the betterment of the environment, economy and society

MISSION

- Deliver quality products and services responsibly, exceeding customer expectations
- Create a safe and nurturing workplace for a diverse, equitable and inclusive workforce
- Leverage on technology and innovation for greater efficiency and productivity
- Uphold good corporate governance and deliver shared return to all stakeholders
- Inspire ideas and provide solutions in synergy with nature
- Contribute towards achieving national social and economic objectives to improve livelihoods

CORE VALUES

Exceeding our best WINNING

COMMITMENT Passionate in all we do

All for one, one for all TEAMWORK

HUMILITY and RESPECT Our way of life

AWARDS & ACHIEVEMENTS

INDUSTRY AWARDS

Malaysian Construction Industry Excellence Awards by Construction Industry Development Board of Malaysia (CIDB)

Builder of the Year Award - 2018 & 2002
WCT Berhad

International Achievement Award
Ministry of Interior (MOI), Qatar - 2018
Yas Marina Circuit, U.A.E. - 2010
Bahrain International Circuit, Bahrain - 2004

Green Building Award - 2018
Ministry of International Trade & Industry (MITI) Headquarters, Kuala Lumpur, Malaysia

Contractor of the Year Award - 2010
Kota Kinabalu International Airport, Sabah, Malaysia

Special Project Award - 2001
Sepang F1 International, Selangor, Malaysia

Safety and Health Assessment System in Construction (SHASSIC) Achiever

5-Star Rating - 2020
MRT 2 Package V204: Construction and Completion of Viaduct Guideway and Other Associated Works from Bandar Malaysia South Portal to Kampung Muhibbah

5-Star Rating - 2019
MRT 2 Package S204: Construction and Completion of Elevated Stations and Other Associated Works at Kuchai Lama and Taman Naga Emas

5-Star Rating – 2019
West Coast Expressway (Taiping-Banting), Malaysia

TTG Travel Awards

Best New City Hotel - 2018
New World Petaling Jaya Hotel, Paradigm Petaling Jaya, Selangor, Malaysia

Property Insight Prestigious Developer Awards (PIPDA)

Best Corporate Hotel Award - 2018
New World Petaling Jaya Hotel, Paradigm Petaling Jaya, Selangor, Malaysia

Top 10 Developers Award - 2016
WCT Land Sdn Bhd

Asia Pacific Property Awards

Winner - Residential High Rise Development 2020 - 2021
Waltz Residences, W City OUG @ Kuala Lumpur, Malaysia

5-Star - Best Residential Development Malaysia 2016 - 2017
d'Laman Greenville, Klang, Selangor, Malaysia

Highly Commended - Architecture Multiple Residence Malaysia 2016 - 2017
d'Laman Greenville, Klang, Selangor, Malaysia

Highly Commended - Residential High-rise Architecture Malaysia 2015 - 2016
The Azure Residences, Paradigm Petaling Jaya, Selangor, Malaysia

PropertyGuru Asia Property Awards (Malaysia)

Best Mid-End Condo/Apartment Development (Central) - 2020
Waltz Residences, W City OUG @ Kuala Lumpur, Malaysia

Highly Commended - Best Condo/Apartment Development (Southern) - 2020
Paradigm Residence, Johor Bahru, Johor, Malaysia

QLASSIC Excellence Awards

High QLASSIC Achievement Award - 2016
Ministry of International Trade & Industry (MITI) Headquarters, Kuala Lumpur, Malaysia

Certificate of Excellence Award - 2013

Première Hotel, Klang, Selangor, Malaysia
Awarded by TripAdvisor

Malaysia Excellence Awards - 2011

Building Contracting Company of the year
Awarded by the Frost & Sullivan Malaysia

Industry Excellence Awards - 2004 & 2008

Export Excellence - Construction Services
Awarded by the Ministry of International Trade & Industry, Malaysia (MITI)

Road Engineering Excellence Award - 2007

Principal Contractor of Guthrie Corridor Expressway
Awarded by the Road Engineering Association of Malaysia

CORPORATE AWARDS

Sustainability & CSR Malaysia Awards

Company of The Year Award for Community Sports Development in the Engineering, Construction & Property Development Category - 2020
WCT Holdings Berhad

Malaysia Best Employer Brand Awards

Best Employer Brand Awards - 2018
New World Petaling Jaya Hotel, Paradigm Petaling Jaya, Selangor, Malaysia

The BrandLaureate Award

Winner of the Community Leadership Brand Award for Best Neighbourhood Mall 2018 - 2019
Paradigm Mall Petaling Jaya, Selangor, Malaysia

Winner of the Most Valuable Brand in Engineering & Construction Category (2017/2018) & (2007/2008)
WCT Berhad

Leadership in Energy & Environmental Design (LEED) Certification

Silver Certification under LEED 2009 Core and Shell Development - 2017
gateway@klia2 shopping mall, Sepang, Selangor, Malaysia

Green Building Index (GBI)

Gold Award
Ministry of International Trade & Industry, Malaysia (MITI) Headquarters, Kuala Lumpur, Malaysia

Silver Award
Lot 2C5, Putrajaya, Malaysia

KLCC Group of Companies HSE Awards

Contractor-Building & Infra Category

Gold Award for Excellent Health, Safety & Environment Management System - 2013
Silver Award for Effective Health, Safety & Environment Management System - 2011
WCT Berhad

SI-KPMG Shareholder Value Awards

Winner for the Construction, Infrastructure and Property Category - 2001
Awarded by Smart Investor-KPMG

AWARDS & ACHIEVEMENTS
cont'd

CLIENT'S RECOGNITION

Awarded by Putrajaya Holdings Sdn Bhd

HSE Certificate of Recognition - Gold Award
Excellent Achievement of 4 million Man Hours without Lost Time Injury (LTI) for Lot 2C5, Putrajaya, Malaysia
17 July 2013 - 9 November 2016

Environmental Best Practice (EBeP) Award - 2015
Best Waste Minimisation Programme by Contractor for Lot 2C5, Putrajaya, Malaysia

Certificate of Award for Best Environmental Management System 2007
Design, Construction and Completion of the Office Building on Plot 3C4, Precinct 3, Putrajaya, Malaysia

Certificate of Award for Best Safety & Health Management System 2007
Design, Construction and Completion of the Office Building on Plot 3C4, Precinct 3, Putrajaya, Malaysia

Awarded by Petronas Refinery & Petrochemical Corporation

12 Million Safe Man Hours without any Lost Time Injury (LTI)
Petronas RAPID Pengerang Projects Package P20C1, Package 14-0401, Package 14-1702, Package 14-0302 and Package 14-0303
18 March 2018 - 5 November 2018

Focused Recognition Award 2016 - Compliance to High HSE Standards
Petronas RAPID Pengerang Projects Package 14-0302/0303/1702/0401

QUALITY, HEALTH & SAFETY AND ENVIRONMENTAL CERTIFICATIONS

QUALITY MANAGEMENT SYSTEM CERTIFICATIONS

ISO 9001 : 2015
Quality Management System for WCT Berhad (including WCT Construction Sdn Bhd)
Certification No. QMS 00887

ISO 9001 : 2015
Quality Management System for WCT Machinery Sdn Bhd
Certification No. QMS 01762

ISO 9001 : 2015
Quality Management System for WCT Land Sdn Bhd and its related subsidiaries
Certification No. QMS 01306

ISO 9001 : 2015
Quality Management System for WCT Properties Sdn Bhd
Certification No. QMS 03141

ENVIRONMENTAL MANAGEMENT SYSTEM CERTIFICATION

ISO 14001 : 2015
Environmental Management System for WCT Berhad (including WCT Construction Sdn Bhd)
Certification No. EMS 00520

ISO 14001 : 2015
Environmental Management System for WCT Machinery Sdn Bhd
Certification No. EMS 00931

OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM CERTIFICATIONS

ISO 45001 : 2018
Occupational Health and Safety Management System for WCT Berhad (including WCT Construction Sdn Bhd)
Certification No. OHS 00221

ISO 45001 : 2018
Occupational Health and Safety Management System for WCT Machinery Sdn Bhd
Certification No. OHS 00503

ISO 45001 : 2018
Occupational Health and Safety Management System for WCT Land Sdn Bhd and its related subsidiaries
Certification No. OHS 00227

CORE BUSINESSES AND OPERATING UNITS

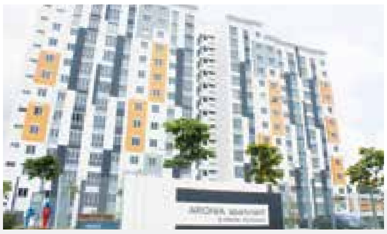
ENGINEERING & CONSTRUCTION

MALAYSIA

WCT Berhad
WCT Construction Sdn Bhd
WCT Machinery Sdn Bhd
WCT Products Sdn Bhd
KKBWCT Joint Venture Sdn Bhd
WCT TSR Sdn Bhd

OVERSEAS

WCT Berhad (Qatar Branch)
WCT Berhad (Dubai Branch)
Cebarco-WCT W.L.L (Bahrain)
WCT Engineering Vietnam Co. Ltd



PROPERTY DEVELOPMENT

Atlanta Villa Sdn Bhd
Camellia Tropicana Sdn Bhd
Gabungan Efektif Sdn Bhd
Gemilang Waras Sdn Bhd
Jubilant Courtyard Sdn Bhd
Kekal Kirana Sdn Bhd
Labur Bina Sdn Bhd
One Medini Sdn Bhd
Pioneer Acres Sdn Bhd
Platinum Meadow Sdn Bhd
Urban Courtyard Sdn Bhd
WCT Acres Sdn Bhd
WCT Green Sdn Bhd
WCT Perkasa Sdn Bhd
(formerly known as WCT Realty Sdn Bhd)
WCT OUG Development Sdn Bhd

CORE BUSINESSES AND OPERATING UNITS
cont'd

PROPERTY INVESTMENT & MANAGEMENT

BBT Hotel Sdn Bhd
BBT Mall Sdn Bhd
Jelas Puri Sdn Bhd
Labur Bina Management Sdn Bhd
Segi Astana Sdn Bhd
Subang SkyPark Sdn Bhd
SkyPark FBO Malaysia Sdn Bhd
SkyPark RAC Sdn Bhd
WCT F&B Management Sdn Bhd
WCT Hartanah Jaya Sdn Bhd
WCT Malls E-Shop Sdn Bhd
WCT Malls Management Sdn Bhd
WCT Properties Sdn Bhd

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman
Tan Sri Lim Siew Choon

Group Managing Director
Dato' Lee Tuck Fook

Deputy Managing Director
Chow Ying Choon
Goh Chin Liong
(Resigned on 20 April 2022)

Executive Director
Liang Kai Chong

Independent Non-Executive Director
Tan Sri Marzuki Bin Mohd Noor
Datuk Ab Wahab Bin Khalil
Dato' Ng Sooi Lin
Ng Soon Lai @ Ng Siek Chuan
Rahana Binti Abdul Rashid

AUDIT COMMITTEE

Tan Sri Marzuki Bin Mohd Noor
(Chairman)
Datuk Ab Wahab Bin Khalil
Dato' Ng Sooi Lin
Ng Soon Lai @ Ng Siek Chuan
Rahana Binti Abdul Rashid

BOARD RISK AND SUSTAINABILITY COMMITTEE

Dato' Ng Sooi Lin
(Chairman)
Tan Sri Marzuki Bin Mohd Noor
Datuk Ab Wahab Bin Khalil
Rahana Binti Abdul Rashid

NOMINATION & REMUNERATION COMMITTEE

Datuk Ab Wahab Bin Khalil
(Chairman)
Tan Sri Marzuki Bin Mohd Noor
Dato' Ng Sooi Lin

OPTIONS COMMITTEE

Ng Soon Lai @ Ng Siek Chuan
(Chairman)
Dato' Lee Tuck Fook
Chow Ying Choon

COMPANY SECRETARIES

Loh Chee Mun (MAICSA 7025198)
(SSM PC NO.: 201908002041)
Chong Kian Fah (MIA 17238)
(SSM PC NO.: 201908003381)

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

B-30-01, The Ascent, Paradigm
No. 1, Jalan SS7/26A, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603-7806 6688
Fax : +603-7806 6610
E-mail : enquiries@wct.my
Web : www.wct.com.my

DIVISIONAL OFFICES

Engineering & Construction

WCT Berhad
(198101000433/66538-K)
B-30-01, The Ascent, Paradigm
No. 1, Jalan SS7/26A, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603-7806 6688
Fax : +603-7806 6677

Property

WCT Land Sdn Bhd
(199401039203/324888-H)
No. 63, Lorong Batu Nilam 1A
Bandar Bukit Tinggi
41200 Klang
Selangor Darul Ehsan, Malaysia
Tel : +603-3324 3255
Fax : +603-3324 3257

OVERSEAS CORPORATE OFFICES

Qatar

Al Rufaa Tower, Third Floor
Room No.3, Building No. 54
Street No. 830, Zone 17
Al Mina Street, Old Salata
P.O.Box 200238
Doha, State of Qatar
Tel : +974- 4427 9780
Fax : +974- 4427 9781

Vietnam

B2-17, Nam Thien 2
Ha Huy Tap Street
Tan Phong Ward, District 7
Ho Chi Minh City, Vietnam
Tel : +848-5412 2474/75
Fax : +848-5412 2473

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
(199601006647/378993-D)
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603-7890 4700
Fax : +603-7890 4670
E-mail :
BSR.Helpdesk@boardroomlimited.com
Web : www.boardroomlimited.com

AUDITORS

Messrs Ernst & Young PLT
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Malaysia

PRINCIPAL BANKERS

AmBank (M) Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
RHB Bank Berhad

SOLICITORS

Adnan Sundra & Low
Al-Tamimi & Company
Jeyaratnam & Chong
Raja Darryl & Loh
Tay & Helen Wong

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market
Stock Name : WCT
Stock Code : 9679

CORPORATE PROFILE

WCT Group was first established as WCT Earthworks & Building Contractors Sdn Bhd on 14 January 1981 before changing its name to WCT Berhad ("WCTB"). WCTB made its debut on the Second Board of the then Kuala Lumpur Stock Exchange now known as Bursa Malaysia Securities Berhad ("Bursa Securities") on 16 February 1995 and was subsequently promoted to the Main Market of Bursa Securities on 7 January 1999. On 8 July 2013, WCTB successfully undertook an internal reorganisation and transferred its listing status to WCT Holdings Berhad ("WCTH").

As an investment holding company, WCTH provides management services to its subsidiaries and joint venture companies. Its three core businesses are Engineering and Construction, Property Development and Property Investment & Management. With a track record of over 41 years, WCT Group strongly believes in delivering product excellence and quality services in all of its business ventures. The Group has undertaken a diverse range of award-winning infrastructure and building projects, engaged in building modern living lifestyles from ground up, served the communities with our malls and hospitality segments and handled the niche private aviation market.

To date, WCT has successfully completed and delivered more than 400 infrastructure and building related construction projects worth approximately RM40 billion. WCT's scope of Engineering and Construction encompasses:

- Formula 1 Racing Circuits
- Airports
- Shopping Malls
- Hospitals
- Dam and Water Supply Schemes
- Iconic Buildings/ Infrastructures
- Expressways and Highways
- Civil Works
- Specialised Buildings
- Rail-based Infrastructure Works

Meanwhile, the Group's Property Development portfolio includes townships, luxury homes, high-rise residences, integrated commercial developments, office towers, hotels and shopping malls. WCT is a reputable developer of three integrated townships in Klang. They are known as Bandar Bukit Tinggi 1 & 2 and Bandar Parklands. The Group has also expanded its presence to Kota Kinabalu, Sabah as well as Johor. Its most recent development in the Klang Valley, namely The Maple Residences, is the second residential tower of the 63-acre integrated and sustainable mixed-use development of W City OUG @ Kuala Lumpur. Since 1997, WCT has delivered close to 18,000 units of residential and commercial properties worth RM6 billion in Gross Development Value. Currently, WCT has a land bank of approximately 816 acres in Malaysia.

On the other hand, WCT's Property Investment & Management Division primarily includes the ownership and management of shopping malls, office buildings, hotels, and concession assets. The Group owns five shopping malls, namely Bukit Tinggi Shopping Centre in Klang, gateway@klia2 and SkyPark Terminal in Selangor which are the airport malls, Paradigm Mall in Petaling Jaya and Paradigm Mall in Johor Bahru. Besides that, it also owns Première Hotel in Klang and New World Petaling Jaya Hotel in Petaling Jaya. In 2018, WCT ventured into the development and management of commercial and aviation-related infrastructure and facilities at the Sultan Abdul Aziz Shah airport terminal in Subang, Selangor.

WCT's unwavering commitment to achieving a higher level of quality and excellence is reflected in all its projects and investments, as well as the numerous recognitions and accolades it received both locally and internationally. These include the International Achievement Award 2004, 2010 & 2018; Builder of the Year Award 2002 & 2018; Green Building Award 2018 from the Construction Industry Development Board of Malaysia (CIDB); Asia Pacific Property Awards 2020–2021 – Winner of Residential High-Rise Development for Waltz Residences in W City OUG @ Kuala Lumpur; PropertyGuru Asia Property Awards Malaysia 2020 – Best Mid-End Condo/Apartment Development (Central) for Waltz Residences in W City OUG @ Kuala Lumpur and Highly Commended, Best Condo/ Apartment Development (Southern) for Paradigm Residence, Johor Bahru in Johor.

In recent years, WCT has started embarking on sustainable construction and received various green building rating awards for its projects including the LEED Silver Certification under LEED 2009 Core and Shell Development for the airport mall, gateway@klia2; Green Building Index (GBI) Gold for the Ministry of International Trade & Industry (MITI) Headquarters; GBI Silver for Lot 2C5, Putrajaya (Commercial Office Building) and GBI Certified for the MyTOWN Shopping Centre.

On top of that, WCT has also demonstrated its occupational safety and health excellence by achieving the highest 5-star rating in the Safety and Health Assessment System in Construction (SHASSIC) awarded by CIDB for its involvement in MRT2 V204 construction and completion of viaduct guideway alongside other associated works from Bandar Malaysia South Portal to Kampung Muhibbah, MRT2 S204 construction and completion of elevated stations and other associated works at Kuchai Lama and Taman Naga Emas, as well as the construction of the West Coast Expressway, (Taiping – Banting), Malaysia.

As WCT continues to grow its portfolio, The Group remains committed to staying true to its core values of **W**inning, **C**ommitment, **T**eamwork, Humility and Respect.

CHAIRMAN'S STATEMENT

CHAIRMAN'S STATEMENT
cont'd

Paradigm Petaling Jaya development comprising Paradigm Mall Petaling Jaya, New World Hotel, The Azure Residences, Sapphire Paradigm service apartment and The Ascent corporate office tower.

On behalf of the Board of Directors of WCT Holdings Berhad ("WCT"), I am pleased to present the Annual Report and Audited Financial Statements of the Group and the Company for the financial year ended 31 December 2021.

ECONOMIC OVERVIEW

In 2021, economies around the world continued to navigate the impacts of the COVID-19 pandemic. The hope for a return to normalcy after a year of movement restrictions, supply chain disruptions, reduced workforce at the workplace and strict standard operating procedures in 2020 proved challenging as the highly contagious COVID-19 Delta variant stalled global economic recovery.

In Malaysia, different phases of Movement Control Order ("MCO") were implemented to curb the spread of COVID-19. In mid-2021, the Government introduced the four-phase exit strategy under the National Recovery Plan ("NRP") to strategically help the economy bounce back from the COVID-19 pandemic. The Government progressively eased the MCO and businesses reopened towards the end of 2021.

In the fourth quarter of 2021, the Malaysian economy recorded a positive growth of 3.6% (3Q 2021: -4.5%), supported mainly by an improvement in domestic demand as economic activity normalised following the easing of COVID-19 containment measures under the NRP. The improvement in economic activity was aided by recovery in the labour market and continued policy support, coupled with strong external demand amid the continued upcycle in global technology. On the supply side, all economic sectors recorded improvements in growth, led by the services and manufacturing sectors. On the demand side, growth was driven by higher consumption and trade activity. *(Source: BNM Quarterly Bulletin – Fourth Quarter 2021, Bank Negara Malaysia).*

Headline inflation increased to 3.2% (3Q 2021: 2.2%) during the quarter mainly due to normalisation in electricity prices following the lapse in the three-month electricity bill discount implemented in July 2021. The increase was also contributed by higher prices for some core and price-volatile items, especially prices of fresh food as a result of improved demand conditions amid an environment of elevated costs. *(Source: BNM Quarterly Bulletin – Fourth Quarter 2021, Bank Negara Malaysia).*

CHAIRMAN'S STATEMENT
cont'd

FINANCIAL REVIEW

In the financial year ended 31 December 2021, the Group recorded revenue of RM1.70 billion, similar to the RM1.70 billion registered in the preceding year ("FY2020"). The Group's profit attributable to equity holders increased to RM97.2 million as compared to the preceding year's loss of RM213.6 million.

The Group's Engineering and Construction Division registered revenue and operating profit of RM1.23 billion and RM302.0 million respectively as compared to RM1.25 billion and RM44.6 million respectively in the preceding year. The higher operating profit in the current year was mainly due to gain from the settlement of arbitral awards.

Meanwhile, the Group's Property Development Division recorded higher operating profit of RM61.8 million (FY2020: RM48.0 million) on the back of higher revenue of RM317.3 million (FY2020: RM278.9 million). The higher revenue and operating profit were mainly due to the sale of vacant lands.

The Property Investment and Management Division reported revenue of RM152.2 million (FY2020: RM172.7 million) and an operating profit of RM66.5 million (FY2020: -RM4.5 million). The operating loss in the preceding year was due to prolonged business disruption caused by the COVID-19 pandemic and movement restrictions imposed by the Government.

CORPORATE AND BUSINESS DEVELOPMENTS

2021 marked a significant milestone for WCT Group as the Group commemorated its 40th year in the business and enhanced its commitment to environmental, social and governance practices. The Group undertook a materiality assessment exercise and the result was the development of a new materiality matrix with 18 material matters, a comprehensive sustainability framework with a clear set of goals and targets as well as a refined vision and mission.

VISION

Excel in areas of our expertise for the betterment of the environment, economy, and society.

MISSION

- Deliver quality products and services responsibly, exceeding customer expectations
- Create a safe and nurturing workplace for a diverse, equitable and inclusive workforce
- Leverage on technology and innovation for greater efficiency and productivity
- Uphold good corporate governance and deliver shared return to all stakeholders
- Inspire ideas and provide solutions in synergy with nature
- Contribute towards achieving national social and economic objectives to improve livelihoods

In 2021, the Group's Engineering and Construction Division successfully secured approximately RM1.48 billion worth of new contracts despite the competitive landscape and challenging market conditions. While the COVID-19 pandemic continued to cause large-scale disruptions to business operations, the Division remained focused on areas such as efficient procurement, supply chain management and project execution which led the Division to achieve practical completion for two of its projects namely Lusail Development Project in Doha, Qatar and MRT2 V204 & S204 alignment from Bandar Malaysia South Portal to Kampung Muhibbah.

The property development sector was also largely impacted by the pandemic due to closure of sales galleries during the prolonged lockdown, in which property launches, property sales and purchase processes, including loan processing were halted. The Group's Property Development Division maintained its resilience by strengthening its digital presence and adopting multi-channel online channels. Customers were engaged through social platforms, virtual property expo and a digital, contactless and 3D virtual home buying experience via WCT Virtual Gallery in January 2021 which successfully garnered approximately 40,000 visits in the same year itself. The digital marketing initiatives contributed to approximately 70% of the Group's property sales.

In October 2021, WCT Perkasa Sdn Bhd ("Developer"), an indirect 80% owned subsidiary of WCT, entered into a principal agreement with Yayasan Sabah ("Vendor") in which the Developer is granted options by the Vendor to acquire the sole, exclusive and absolute development rights over approximately 411.39 acres of land at Lok Kawi, District of Putatan, Sabah ("Options"). The acquisition would enable WCT Group to enhance its landbank with a strategic development land in Sabah, without incurring substantial upfront cost as the Options to acquire the development rights over the land are to be exercised by the Developer over 15 years from the unconditional date of the principal agreement.

As part of the Group's on-going de-gearing initiatives, the Group had in August 2021 entered into a sale and purchase agreement to divest twelve pieces of vacant freehold lands in Serendah, Daerah Ulu Selangor, Negeri Selangor Darul Ehsan for total cash proceeds of RM214.3 million.

CHAIRMAN'S STATEMENT
cont'd

To protect its workforce from the heightened risk of the COVID-19 virus and prevent the spread of the virus within the workplace, the Group had taken the initiative to vaccinate approximately 3,000 employees and associates through the Mobile Vaccination MYMedic@ Wilayah Pilot Programme from June 2021 onwards. In addition, Première Hotel in Klang was appointed as a designated Pusat Pemberian Vaksin ("PPV") under the National COVID-19 Immunisation Programme in July 2021 and administered a total of 29,632 vaccines to the Klang communities. In December 2021, Paradigm Mall Petaling Jaya was appointed as a PPV to administer booster doses for COVID-19 vaccination.

The PPVs at Première Hotel in Klang and Paradigm Mall Petaling Jaya

STATUS UPDATE ON ARBITRATION PROCEEDINGS

With regard to the arbitration proceedings against Meydan Group LLC (formerly known as Meydan LLC) ("Meydan") in relation to the cancellation of the construction and completion of the main building works, external works and infrastructure works contract of the Nad Al Sheba Racecourse, Dubai, U.A.E. in end 2008, WCT Berhad ("WCTB") entered into a settlement agreement with Meydan on 13 July 2021 whereby the latter will pay to WCTB a total of AED726,571,000 (approximately RM828,248,000) ("Settlement Sum") - a sum equivalent to 65% of the principal sum, in full and final settlement of all the amounts payable under the final award (including principal sum, arbitration costs, legal costs and interests) previously awarded to and in favour of WCTB by the Dubai Arbitral Tribunal.

The Settlement Sum will be paid in two portions under which the first portion was paid on 16 July 2021 and the second portion of AED447,121,000 (approximately RM509,691,000) will be divided into 12 equal quarterly instalments, commencing from 20 October 2021.

PROSPECTS

The Malaysian economy is expected to remain on its recovery path in line with continued expansion in global demand and higher private sector spending given improving labour market conditions, ongoing policy support and the prospects of the continuation of major investment projects in both private and public sectors. *(Source: BNM Quarterly Bulletin – Fourth Quarter 2021, Bank Negara Malaysia).*

For the current financial year, the performance of the Group would depend on various factors, including the speed of economic recovery following the reopening of the nation's borders in April 2022. While the recent emergence of COVID-19 Omicron variant presents uncertainties for the pandemic situation amid a challenging operating environment, the Group is committed to remain agile in the pursuit of sustainable long-term growth for the company. The Group will continue to prioritise the safety and well-being of its employees, customers and business associates as well as the general public and communities in which it operates.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I wish to extend my deepest gratitude and thanks to the management team and all staff for their commitment, perseverance, and continuous contribution to the Group in the past year, which has been nothing short of challenging. I would also like to thank all our shareholders, investors, customers, sub-contractors, business associates, media, various government agencies and local authorities for their kind co-operation and support.

My heartfelt gratitude also goes to my fellow Directors on the Board for their valued insights and contributions. My deepest appreciation to Mr Goh Chin Liong who has recently resigned from the Board for his dedication and valued contributions to WCT Group during his tenure here with WCT.

Tan Sri Lim Siew Choon
Executive Chairman
20 April 2022

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

Over the past four decades, WCT Group has continued to inspire and strive for excellence in its areas of expertise. From having been involved in the construction of a wide range of iconic buildings and notable infrastructures in the local and global arena since its inception in 1981, the group has subsequently diversified its portfolio to include property development, investment in and management of retail malls, commercial offices and hotels as well as the niche private aviation business.

The battle against the unprecedented COVID-19 pandemic continued in 2021, with adverse impacts felt on all local and international economic sectors, not to mention the well-being of society. The Group's business divisions, including the Engineering and Construction, Property Development and Property Investment and Management Divisions had to proactively adopt different, innovative business strategies to adapt to the everchanging business environment. For instance, the Group had taken initiative to enrol its staff in the vaccination programme as well as installing air purification solutions across the business premises as an additional layer of protection. In strengthening the Group's resilience, the property, retail mall and hotel businesses launched digital tools such as the WCT Virtual Gallery in January 2021 and WCT Buddy, a lifestyle community loyalty app in November 2021 to stay connected and engaged with its customers.

WCT Group is devout to taking a long-term strategic sustainability approach encompassing the economic, environmental, and social pillars to create sustainable values not only for all its stakeholders, but also its society and the environment. Sticking to its aim in progressing towards becoming a sustainable organisation, the Group continued its sustainability efforts in 2021 by focusing largely on sustainability matters and developing sustainability strategies, goals and targets. In line with the Group's purpose of "Building Sustainable and Thriving Communities", the Group has mapped out a framework with its sustainability goals of "Empowering People", "Protecting the Environment", "Enhancing Livelihood" and "Embracing Responsible and Fair Business Practice", alongside a set of targets and commitments towards 2030. The framework forms the foundation of WCT's aspirations and gradual advancement of the United Nations Sustainable Development Goals (UN SDGs). The Group's sustainability efforts are highlighted in the Sustainability Statement of this Annual Report.

MANAGEMENT DISCUSSION & ANALYSIS
cont'd

In 2021, WCT achieved practical completion of the MRT2 V204 & S204 alignment from Bandar Malaysia South Portal to Kampung Muhibbah

MANAGEMENT DISCUSSION & ANALYSIS
cont'd

GROUP FINANCIAL REVIEW

Financial Performance

For the financial year ended 31 December 2021 ("FY2021") the Group revenue remained largely unchanged at RM1.70 billion as compared to FY2020 (FY2020: RM1.70 billion). Despite stagnant revenue growth, the Group's profit attributable to equity holders of the Company for the FY2021 leapt 146% to RM97.2 million from net loss of RM213.6 million registered in FY2020 due to strong operating profit growth from all our business segments.

The Group's segmental financial results for FY2021 and FY2020 are set out below:-

Segmental Review	Engineering and construction	Property development	Property investment and management	Total
	RM'000	RM'000	RM'000	RM'000
31 December 2021				
Revenue	1,230,183	317,333	152,152	1,699,668
Revenue contributions (%)	72%	19%	9%	100%
Profit from operations	301,994	61,811	66,489	430,294
Operating profit contributions (%)	70%	14%	16%	100%
31 December 2020				
Revenue	1,252,980	278,921	172,679	1,704,580
Revenue contributions (%)	74%	16%	10%	100%
Profit/(loss) from operations	44,555	48,016	(4,515)	88,056
Operating profit/(loss) contributions (%)	51%	54%	(5%)	100%

Engineering and Construction Division

The Group's Engineering and Construction Division remained the biggest revenue contributor to the Group and achieved revenue of RM1.23 billion as compared with RM1.25 billion registered in FY2020. Its operating profit expanded 577% to RM302.0 million from RM44.6 million in FY2020 largely due to gain from the favourable settlement of arbitral awards in the Middle East amounting to RM424.4 million, negated by the impact from reduction in the profit margins of local construction projects caused by the pandemic and inflation of RM162.1 million.

Property Development Division

The Group's Property Development Division registered higher revenue and operating profit of RM317.3 million (FY2020: RM278.9 million) and RM61.8 million (FY2020: RM48.0 million) respectively mainly attributable to higher profit from lands disposal.

Property Investment and Management Division

For FY2021, the Property Investment and Management Division recorded revenue of RM152.2 million (FY2020: RM172.7 million). The operating profit increased to RM66.5 million from operating loss of RM4.5 million in FY2020. The higher operating profit in FY2021 was mainly due to no impairment loss for the shopping malls as compared to the impairment loss of RM84.4 million recorded in FY2020.

MANAGEMENT DISCUSSION & ANALYSIS
cont'd

An analysis of the Group's consolidated financial position as at 31 December 2021 and 2020 is set out below: -

	2021	2020	Variance
As at 31 December	RM'000	RM'000	
Non-current assets	4,907,645	5,510,656	-11%
Current assets	3,310,369	3,074,913	8%
Assets classified as held for sale	10,956	14,584	-25%
Total Assets	8,228,970	8,600,153	-4%
Non-current liabilities	1,602,963	2,529,252	-37%
Current liabilities	2,864,785	2,390,131	20%
Total liabilities	4,467,748	4,919,383	-9%
Total Equity	3,761,222	3,680,770	2%

TOTAL ASSETS

The Group's total assets dropped by 4% to RM8.23 billion from RM8.60 billion, largely attributable to the decrease in receivables following the receipt of initial payments and first instalments of arbitration awards.

TOTAL LIABILITIES

The Group's total liabilities recorded a decrease of 9% from RM4.92 billion to RM4.47 billion primarily contributed by the net repayment of borrowings and reduction in payables.

Total borrowings decreased by RM118.7 million mainly due to the redemption of RM200.0 million nominal value Sukuk Murabahah.

Analysis of the maturities of the Group's borrowings as at end of FY2021:

	Within 1 year	1-2 years	>2 years	Total
	RM'000	RM'000	RM'000	RM'000
Revolving credits	962,523	-	-	962,523
Term loans	315,932	80,571	206,486	602,989
Sukuk Murabahah	400,000	300,000	510,000	1,210,000
Trade facilities	62,863	-	-	62,863
Total	1,741,318	380,571	716,486	2,838,375
Percentage	61%	13%	26%	100%

MANAGEMENT DISCUSSION & ANALYSIS
cont'd

CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to maximise shareholders' value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which are attached to the Group's loans and borrowings. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders and/or issue new shares as well as repurchase the Company's own shares. The Group also monitors its capital structure using a gearing ratio, which is computed based on the Group's net debt divided by total equity.

The net gearing ratio of the Group as at the end of FY2021 stood at 0.68 time (FY2020: 0.66 time). The Group is continuously working towards reducing its gearing level via various de-gearing initiatives, which include equity fund raising, assets monetisation, equity divestment and disposal of land bank which are not for immediate development as well as intensifying sales of the Group's existing properties under the Property Development Division in order to strengthen the Group's financial position and thereby improving the gearing level of the Group.

EQUITY

The Group's total equity increased by 2% to RM3.76 billion (FY2020: RM3.68 billion) as a result of the profit recognised which was partially offset by the higher foreign exchange reserve.

LIQUIDITY

The Group's current ratio at the end of FY2021 stood at 1.16 times (FY2020: 1.29 times), indicating the Group's liquidity adequacy to meet its short-term financial obligations.

Consolidated Cash Flow Analysis	2021	2020
	RM'000	RM'000
Net cash generated from operating activities	175,285	17,982
Net cash (used in)/generated from investing activities	(55,886)	14,390
Net cash used in financing activities	(347,039)	(162,548)
Net decrease in cash and cash equivalents	(227,640)	(130,176)
Cash and cash equivalents at end of the financial year	222,077	469,287

Despite the adverse impact of the COVID-19 pandemic and the disruptions to the Group's business operations during the multiple MCOs imposed, the Group continued to generate operating cash inflows. The Group registered a net cash outflow in its investing and financing activities primarily due to the subscription of RM60.0 million redeemable preference share in a jointly controlled entity, redemption of RM200.0 million nominal value of Sukuk Murabahah and payment of interest expenses during the year.

DIVIDENDS

The Company is committed to paying annual dividends to its shareholders and after taking into consideration the financial performance of the Group, the availability of retained earnings, capital commitments and the level of available funds of the Group before and after any declaration and payment of dividends to the shareholders of the Company, the Board has recommended a final dividend of 0.5 sen per ordinary share under the single-tier system in respect of the financial year ended 31 December 2021, subject to obtaining the approval of the shareholders of the Company at the forthcoming 11th Annual General Meeting of the Company.

On 22 July 2021 the Company distributed 14,026,085 treasury shares to its shareholders on the basis of one (1) treasury share for every one hundred (100) existing ordinary shares held in the Company.

MANAGEMENT DISCUSSION & ANALYSIS
cont'd

REVIEW OF OPERATING ACTIVITIES - ENGINEERING AND CONSTRUCTION

In the fourth quarter of 2021, the construction sector improved with a smaller contraction of 12.2% (3Q 2021: -20.6%). The improved performance was supported by higher construction activity, especially in the non-residential and special trade subsectors, following the reopening of the economy. *(Source: BNM Quarterly Bulletin – Fourth Quarter 2021, Bank Negara Malaysia).*

The Malaysian construction industry continued to be affected by COVID-19 pandemic in 2021, owing to the impact of the nationwide containment measures. Despite the movement restrictions, supply chain disruptions, labour shortages and strict standard operating procedures, WCT's Engineering and Construction Division successfully achieved practical completion of the MRT2 V204 & S204 project, one of the most challenging alignments of the MRT2 line. The completion of this alignment has once again proven WCT's capability and reliability in executing projects with high levels of complexity. The scope of works includes:

- Construction of a pair of 60m pipe arch underpasses under the live traffic of the KL-Seremban Highway using micro-tunnelling and pipe-jacking methods;
- Construction of eight long span crossings, marking the largest number of long spans awarded to a single package contractor;
- Launching of long span viaduct alignments above three major highways with live traffic, namely the Besraya Highway, New Pantai Expressway and the Maju Expressway, plus a long span crossing the Sg Kerayong River at Taman Desa.

The project was accorded the highest 5-Star Rating in the Safety and Health Assessment System in Construction (SHASSIC) achievement by CIDB.

WCT's SHASSIC Achievement for the MRT2 V204 & S204 project

The division also saw the completion of the Lusail Development Project in Doha, Qatar, the venue of the FIFA World Cup 2022 for the construction of a commercial boulevard, utilities, roads, light rail transit stations and underground car parks. With the conclusion of this project, the Division has achieved a significant milestone of completing yet another international project, amid an unstable geopolitical operating landscape due to a blockade of Qatar by several Qatar neighbouring countries, followed by the COVID-19 pandemic in 2020.

In 2021, this division successfully secured the following new contracts:

- In February 2021, WCT Berhad secured a contract worth RM136.7 million from Lendlease Projects (M) Sdn Bhd to undertake works of a 29-storey hotel and 13-storey office at The Exchange TRX.
- In March 2021, WCT Berhad was awarded a contract worth RM440.4 million for the proposed extension and upgrading of the Sultan Ismail Petra Airport, Kelantan.
- In July 2021, WCT-CCCC Joint Venture, an unincorporated joint venture between WCT Berhad and China Communications Construction Company (M) Sdn Bhd ("CCCC") on a 60:40 basis with WCT Berhad as the lead partner, secured a RM899.8 million contract for the proposed expansion of the Sapangar Bay Container Port at Sabah by the Government of Malaysia, represented by the Sabah Economic Development and Investment Authority.

As at end 2021, the division's outstanding orderbook stood at RM4.72 billion.

MANAGEMENT DISCUSSION & ANALYSIS
cont'd

REVIEW OF OPERATING ACTIVITIES - PROPERTY DEVELOPMENT

Amid economic challenges resulting from the ongoing COVID-19 pandemic, the country's property market performance picked up in the first half of 2021 ("H1 2021") as compared to the performance registered in the preceding year ("H1 2020"). A total of 139,754 transactions worth RM62.01 billion were recorded in H1 2021, which was an increase of 21% in volume and 32.1% in value as compared H1 2020. *(Source: National Property Information Centre via the Malaysia Property Market Activity Report, 15 September 2021).*

The volume and value of transactions across the property sub-sectors showed upward movements in H1 2021. Particularly, residential property recorded 92,017 transactions worth RM34.51 billion in H1 2021 - an increase by 22.2% in volume and 34.7% in value year on year. This could be attributed to the low Overnight Policy Rate (OPR) as well as the reintroduction of the Home Ownership Campaign (HOC) by the government, which features stamp duty and real property gain tax (RGPT) exemptions for home buyers. *(Source: National Property Information Centre via the Malaysia Property Market Activity Report, 15 September 2021).*

Despite the re-implementation of Movement Control Order ("MCO") in the first quarter and towards the end of second quarter in 2021 which exacerbated the market's stability, the Group's Property Development Division recorded a sales performance of RM525.0 million, which was 50% higher from the RM350.0 million recorded in the preceding year. On top of WCT's participation in HOC coupled with attractive easy entry package and product re-positioning to cater to the soft market, the increased property sales were also backed by the division's extensive online marketing strategy including continuous promotional efforts on social media, the launch of WCT Virtual Gallery and its participation in Virtual Property Expo. As at 31 December 2021, four of the division's projects in Klang namely Impiria Residensi, landed properties in Bandar Parklands and d'Laman Greenville together with d'Banyan Residency in Sabah achieved a 100% take-up rate, reducing the division's total inventories by 30% or RM278 million in 2021.

Completed Project

In 2021, the division successfully delivered 320 units of Aronia Apartments, an affordable housing development under the *Rumah Selangorku* programme. The project includes two exclusive blocks of 14-storey freehold residential apartments and each unit has 3 bedrooms. The development comes complete with lifestyle amenities such as a swimming pool, surau, multipurpose hall, indoor badminton court and a reading room.

Aronia Apartments

MANAGEMENT DISCUSSION & ANALYSIS
cont'd

On-going Projects

The Maple Residences is the second residential development located within the 63-acre W City OUG @ Kuala Lumpur and comprises 3 towers with a combined Gross Development Value ("GDV") of RM940.0 million. Tower A, with 303 units achieved more than 70% take-up rate as at 31 December 2021. It features six layouts with unit sizes ranging from 808 to 1,163 sq. ft. Tower B comprises 295 units and five layouts with unit sizes ranging from 808 to 1,152 sq. ft. Since its launch in April 2021, it has achieved 36% take-up rate. In December 2021, the division launched the 342-unit Tower C with larger unit sizes of 1,163 sq. ft. and 1,378 sq. ft., catering to multigenerational households.

Paradigm Residence, Johor Bahru is a 263-unit service residence located above Paradigm Mall Johor Bahru and next to a proposed 200-room hotel to be known as the Hyatt Place Johor Bahru. This residence has an estimated GDV of RM184.0 million and features four layouts with unit sizes ranging from 530 to 1,123 sq. ft. As at 31 December 2021, it achieved a take-up rate of 72%.

The Maple Residences

Paradigm Residence

MANAGEMENT DISCUSSION & ANALYSIS
cont'd

REVIEW OF OPERATING ACTIVITIES - PROPERTY INVESTMENT AND MANAGEMENT

In the fourth quarter of 2021, the country's private consumption growth turned around to register a growth of 3.7% (3Q 2021: -4.2%). This is mainly supported by the relaxation of the Standard Operating Procedures (SOPs) by the government for vaccinated individuals. The fourth quarter saw spending on discretionary items such as restaurants, hotels and recreational services rebounded while labour market conditions also improved as evidenced by stronger employment and wage growth. *(Source: Bank Negara Malaysia via the BNM Quarterly Bulletin – Fourth Quarter 2021).*

Currently, the Group's Property Investment and Management Division owns a portfolio of five retail malls, two hotels and an aviation related infrastructure and facilities. The Group's malls management arm, WCT Malls manages Paradigm Mall in Petaling Jaya and Johor Bahru, the airport malls – gateway@klia2 in Sepang and SkyPark Terminal in Subang; all of which have a combined retail lettable area of approximately 2.4 million sq. ft. The Bukit Tinggi Shopping Centre in Klang, on the other hand, has a gross lettable area of 1 million sq. ft. Meanwhile, the Group's hospitality portfolio includes Première Hotel in Klang and New World Hotel in Paradigm Petaling Jaya with 550 rooms in total.

Retail Malls

In 2021, the nationwide movement restrictions, strict travel border measures and temporary closure of entertainment and lifestyle services in retail malls continued to affect the retail industry in Malaysia, resulting in a drop in consumer spending and decline in footfalls. In light of the uncertain business landscape, WCT Malls prioritised tight operating cost control and focused its efforts to drive footfalls by leveraging on the unique and distinct offerings of each mall. As shopper experiences are crucial to engage shoppers and further drive sales to tenants, WCT Malls launched attractive sales carnivals and partnered its tenants to introduce new entertainment experiences in the mall. One such example is the international standard obstacle course with flying trapeze, known as Aerobat at ESCAPE Challenge in Paradigm Mall Petaling Jaya. In addition, WCT Malls continued to reward its shoppers with value-added benefits through the all-new WCT Buddy mobile app. Despite the tough operating landscape at WCT's airport malls, gateway@klia2 and SkyPark Terminal as well as Paradigm Mall Johor Bahru, all the malls welcomed new tenants to the mall in 2021.

Bukit Tinggi Shopping Centre, WCT's flagship retail project in Klang is currently under a long-term lease arrangement with AEON Co. (M) Bhd, generating a steady, recurrent income for the Group.

Paradigm Mall Petaling Jaya, a wholesome family community mall in Petaling Jaya is the Group's second retail mall with a diverse tenant mix across all segments operating on approximately 670,000 sq. ft. of retail space since 2012. The mall's occupancy rate remained strong at 97% as at 31 December 2021.

The new international standard obstacle course and Aerobat at ESCAPE Challenge, Paradigm Mall PJ

MANAGEMENT DISCUSSION & ANALYSIS
cont'd

gateway@klia2, the Group's third retail project and a LEED Silver Certified airport mall, was opened in May 2014. The airport mall is an integrated complex that not only provides a one-stop convenience to shoppers and travellers, it also houses the transportation hub connecting KLIA2 to the Kuala Lumpur City Centre via buses, taxis, and the Express Rail Link. Boasting a 380,000 sq. ft. in net lettable area, the airport mall offers a broad range of retail offerings, including relaxation lounges, eateries, and retail outlets. As at 31 December 2021, the mall recorded commendable occupancy rate of 82% and welcomed several new reputable food and beverage brands.

Paradigm Mall Johor Bahru was launched in November 2017 and is the Group's largest retail mall with over 500 tenants across its 1.3 million sq. ft. of retail space. The mall registered an occupancy rate of 86% as at 31 December 2021. The mall is part of the 13-acre integrated development which will feature a hotel and a freehold service residence, Paradigm Residence Johor Bahru. In March 2022, the mall with unique lifestyle experiences such as an indoor climbing gym, ice skating rink and state-of-the-art cinema all under one roof was recognised as the first-ever premier festive mall in Johor. The accolade by the Johor state government is a recognition of its efforts in attracting tourists to the mall and being one of the favourite travel destinations that integrates cultural heritage and modern retail.

Situated in the Sultan Abdul Aziz Shah Airport, Subang, SkyPark Terminal serves as a hub to domestic commercial turbo-prop operations for Firefly and Malindo Air flights. It is the preferred city airport terminal 30 minutes away from the Kuala Lumpur City Centre that caters to the commercial airline passengers from the surrounding vicinity. The airport mall registered an occupancy rate of 79% as at 31 December 2021 with dining, shopping and services choices, providing greater convenience for both business and leisure travellers alike.

Hotels

The country's services sector turned around to expand by 3.2% (3Q 2021: -4.9%) in the fourth quarter of 2021. The reopening of the economy during this period also saw the continuous recovery of consumer-related activities, which was reflected in the higher spending observed within the retail and recreational sub-sectors. *(Source: Bank Negara Malaysia via the BNM Quarterly Bulletin – Fourth Quarter 2021).*

The Group owns two hotels, Première Hotel in Klang and New World Hotel in Paradigm Petaling Jaya. Première Hotel is a 250-room 4-star corporate hotel in Klang, while New World Hotel is a 5-star hotel featuring 300 spacious guestrooms with meeting rooms and banquet facility. Both hotels are recipients of the 'Clean & Safe Malaysia' Hygiene & Safety label certification, a recognition by the world leader in testing, inspection, and certification for the audit of hotel's hygiene and safety protocols.

The prolonged closure of international borders and absence of business travels had affected international travellers and corporate customers arrivals in 2021. The imposition of MCO in the third quarter of 2021 to combat the resurgence of COVID-19 had a great impact on the industry where it put the Group's hotels in hibernation mode for a period of two months with focus on maintaining cost efficiency. Nevertheless, the Group's hotels recorded a significant improvement in performance contributed largely by local businesses and travellers following the ease of restrictions in the fourth quarter of the year.

Despite the muted revenue growth for the Group's two hotels following the multiple MCOs imposed in FY2021, margins for the hotels had improved with better cost and operational efficiencies.

The pillarless Grand Ballroom at Première Hotel in Klang

MANAGEMENT DISCUSSION & ANALYSIS
cont'd

Business Aviation

The SkyPark Aviation services and facilities located at the Sultan Abdul Aziz Shah Airport, Subang offer a one-stop and comprehensive list of private aviation handling amenities. The services provided are fixed-based operation services, ground handling and support services and integrated hangarage facilities.

Notwithstanding the adverse impact brought upon by the COVID-19 pandemic, the Group's SkyPark Aviation business saw the decrease in scheduled airline operations as a window of opportunity for an increase of new passengers in the private jet charter segment.

In expanding its revenue and income base, SkyPark Aviation had started building new revenue streams including leasing the hangar and apron as event facilities, offering air cargo sales, and providing aircraft chartering, all of which had begun to demonstrate positive results. SkyPark Aviation had delivered a 13% revenue growth for its current base hangarage rental business in FY2021 compared with FY2020 while its aircraft ground handling and Fixed-Based Operation ("FBO") businesses registered a 80% revenue growth.

In 2021, the SkyPark Regional Aviation Centre ("RAC") hosted the 2021 Selangor Aviation Show which was organised by Invest Selangor. This large-scale physical aviation event, held for the first time ever since the onset of COVID-19 pandemic, was a success as it had attracted over 5,000 local and international visitors.

The display at the 2021 Selangor Aviation Show at SkyPark RAC

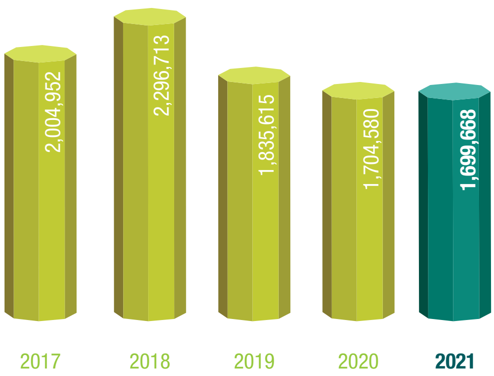
GROUP OUTLOOK

According to Bank Negara Malaysia, the Malaysian economy is expected to remain on its recovery path. The nation's growth will be supported by the continued expansion in global demand and higher private sector expenditure given improving labour market conditions and ongoing policy support. Additionally, the continuation of major investment projects in both private and public sector will contribute to the growth. Malaysia's average headline inflation for 2022 is likely to remain moderate as the base effect of fuel inflation dissipates. The outlook, however, continues to be subject to global commodity price developments amid risks from prolonged supply-related disruptions. *(Source: BNM Quarterly Bulletin – Fourth Quarter 2021, Bank Negara Malaysia).*

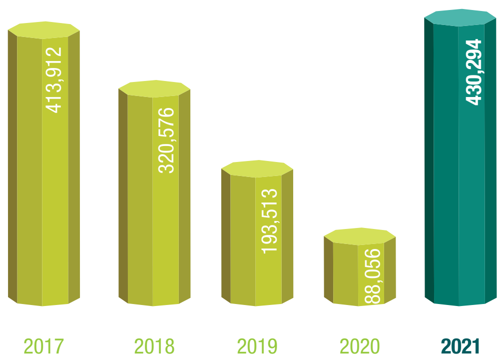
Looking ahead, WCT Group is cautiously optimistic that it will achieve a satisfactory overall performance this year with the nation's high vaccination rates, acceleration of booster vaccines, and vaccination of children above 5 years old as well as the opening of the nation's international borders. The Group will remain focused on project execution whilst pursuing new opportunities for engineering and construction jobs to replenish its outstanding order book of RM4.72 billion. WCT's Property Development Division will leverage on its strong multi-channel marketing and sales strategies and continue to offer attractive sales incentives through property development offers and launches, while the Group's retail malls will continue to introduce exclusive customer experiences and unique F&B offerings to its customers. The Company will continue to safeguard the health and safety of its staff, customers, and business associates as well as the general public and communities in which it operates in.

FINANCIAL HIGHLIGHTS

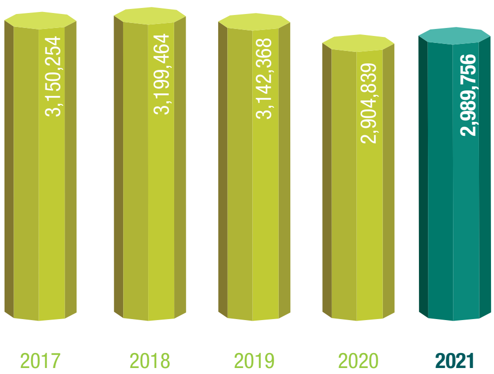
REVENUE
RM'000



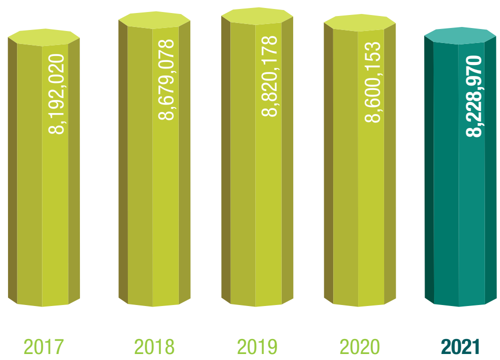
PROFIT FROM OPERATIONS
RM'000



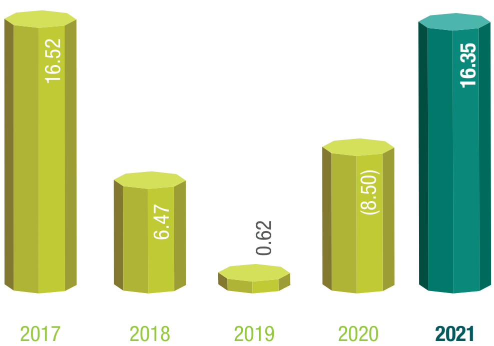
SHAREHOLDERS' FUND
RM'000



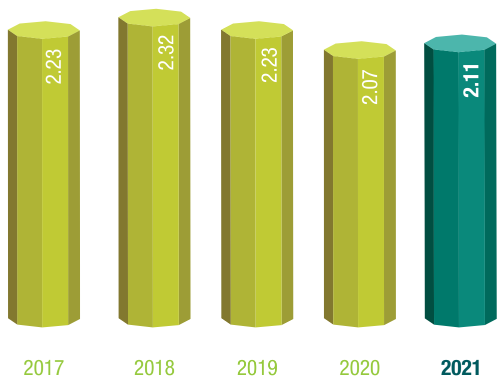
TOTAL ASSETS
RM'000



PROFITABILITY RATIO
%



NET ASSETS PER SHARE
RM



FINANCIAL HIGHLIGHTS
cont'd

		31.12.2021 RM'000	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2018 RM'000	31.12.2017 RM'000
Revenue						
Engineering and construction	RM' 000	1,230,183	1,252,980	1,285,644	1,845,587	1,501,531
Property development	RM' 000	317,333	278,921	346,501	254,928	426,435
Property investment & management	RM' 000	152,152	172,679	203,470	196,198	76,986
Total revenue		1,699,668	1,704,580	1,835,615	2,296,713	2,004,952
Profit from operations						
Engineering and construction	RM' 000	301,994	44,555	(17,661)	136,746	44,252
Property development	RM' 000	61,811	48,016	95,004	42,176	82,548
Property investment & management	RM' 000	66,489	(4,515)	116,170	141,654	287,112
Total profit from operations		430,294	88,056	193,513	320,576	413,912
Profit/(Loss) attributable to equity holders of the Company	RM' 000	97,245	(213,573)	(27,321)	106,021	240,364
Issued share capital	RM' 000	3,212,796	3,212,796	3,212,796	3,210,984	3,210,132
Shareholders' fund	RM' 000	2,989,756	2,904,839	3,142,368	3,199,464	3,150,254
Total assets	RM' 000	8,228,970	8,600,153	8,820,178	8,679,078	8,192,020
Earnings/(Loss) per share	Sen	6.90	(15.24)	(1.95)	7.59	17.56
Net assets per share	RM	2.11	2.07	2.23	2.32	2.23
Return on total assets	%	1.70%	(2.09%)	(0.39%)	0.51%	2.90%
Net gearing ratio	times	0.68	0.66	0.66	1.01	0.86
Price Performance						
Ordinary Share						
High	RM	0.71	0.875	1.19	1.83	2.49
Low	RM	0.435	0.245	0.667	0.67	1.48
Close	RM	0.51	0.53	0.87	0.675	1.62
Warrant 2015/2020 (WCT-WE)[1]						
High	RM	-	0.04	0.18	0.31	0.57
Low	RM	-	0.005	0.035	0.045	0.18
Close	RM	-	0.005	0.04	0.055	0.265

Notes:
(1) *WCT-WE expired on 27 August 2020 and the last day of trading was on 10 August 2020.*

PROFILE OF DIRECTORS

TAN SRI LIM SIEW CHOON
Executive Chairman
Malaysian/Male/Age: 62

Tan Sri Lim Siew Choon was appointed to the Board on 2 November 2016. He received his tertiary education in the United States of America and graduated with a Degree in Business Administration and Finance from University of Central Oklahoma.

He has more than 39 years of management experience in property development, construction, retail design, retail development as well as corporate management. He is the Non-Independent Non-Executive Chairman of Malton Berhad and the Chairman and Non-Independent Executive Director of Pavilion REIT Management Sdn Bhd, the Manager of Pavilion Real Estate Investment Trust. Both Malton Berhad and Pavilion Real Estate Investment Trust are listed on the Main Market of Bursa Malaysia Securities Berhad.

He is a major shareholder of the Company through his direct shareholdings in the Company and indirect equity interest held by Dominion Nexus Sdn Bhd.

DATO' LEE TUCK FOOK*
Group Managing Director
Malaysian/Male/Age: 68

Dato' Lee Tuck Fook was appointed to the Board on 2 November 2016 as a Non-Independent Non-Executive Director and subsequently re-designated as Group Managing Director of the Company on 3 April 2017. He is a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. He also holds a Master Degree in Business Administration from the International Management Centre, Buckingham.

Dato' Lee began his career with KPMG in 1974 under articleship, was subsequently admitted as a partner in 1985 until he left the practice in 1990. From 1990 to 1992, he was appointed the Vice President of Samling Group in Sarawak. He later joined the Renong Berhad Group as the Managing Director of Renong Overseas Corporation. Between 1994 and 2000, he was the Chairman of the Executive Committee of the board of Paremba-Kentz Ltd. He was the Managing Director of Cement Industries of Malaysia Bhd from 2001 to 2002.

From 2002-2006, he was the Managing Director of Paracorp Berhad. In 2003, he was appointed as an Executive Director of Malton Berhad and was re-designated as its Managing Director in December 2003. He resigned from the board of Malton Berhad in 2009.

He is currently a Non-Independent Executive Director of Pavilion REIT Management Sdn Bhd, the Manager of Pavilion Real Estate Investment Trust and a director of Pavilion REIT Bond Capital Berhad. He is also the Independent Non-Executive Chairman of Pesona Metro Holdings Berhad and sits on the board of directors in several private limited companies which are involved in property development, retail management and operations.

Dato' Lee chairs the Management Committee and is a member of the Options Committee of the Company.

PROFILE OF DIRECTORS
cont'd

GOH CHIN LIONG
(Resigned on 20 April 2022)
Deputy Managing Director
Malaysian/Male/Age: 63

Mr Goh Chin Liong was appointed to the Board on 21 January 2011. Mr Goh was the Deputy Managing Director of WCT Berhad before the WCT Group undertook an Internal Restructuring exercise where WCT Berhad had ceased listing on the Main Market in July 2013. Currently, he is also a Director of WCT Berhad. A civil engineer by training, he graduated from the University of Malaya with a Bachelor in Engineering (Hons) Civil and has over 35 years of experience in the construction industry.

Mr Goh started his career as a project engineer/manager and was involved in several construction projects before joining WCT Berhad in 1991 as a senior project manager. He became General Manager (Construction Division) in 1995 with expanded responsibilities for the Group's overall construction activities. He was promoted to Executive Director of WCT Berhad in 1996 and became its Deputy Managing Director in July 2001, responsible for the Group's strategic business direction, operational performance, strategic management of the Group's resources as well as project cost efficiency and profitability.

CHOW YING CHOON
Deputy Managing Director
Malaysian/Male/Age: 67

Mr Chow Ying Choon was appointed to the Board on 19 August 2020. He holds a Bachelor of Economics (Honours) Degree from the University of Malaya.

Mr Chow began his career in D&C Bank Berhad (now RHB Bank Berhad) in October 1978. During his tenure with the bank, he held positions as Head of Credit Supervision and Control, Head of Local Corporate and Head of Commercial Banking at its Head Office.

In February 1995, Mr Chow joined EON Bank Berhad as Head of Corporate Banking and was promoted through the ranks to Deputy Chief Executive Officer, Group Business and Investment Banking. In 2011, upon the merger of EON Bank Berhad and Hong Leong Bank Berhad, Mr Chow was appointed Chief Operating Officer, Group Business and Corporate Banking until his retirement in February 2014. During his banking career, Mr Chow held senior management positions with revenue and profit accountability and had implemented business transformation strategies to continually drive business and revenue growth.

Prior to joining the Company, Mr Chow was the Managing Director of Global Oriental Berhad, a company with its principal activities in property development and construction.

Mr Chow is a member of the Management Committee and Options Committee of the Company.

PROFILE OF DIRECTORS
cont'd

LIANG KAI CHONG
Executive Director
Malaysian/Male/Age: 60

Mr Liang Kai Chong was appointed to the Board on 21 January 2011. Mr Liang was the Executive Director of WCT Berhad before the WCT Group undertook an Internal Restructuring exercise where WCT Berhad had ceased listing on the Main Market in July 2013. Currently, he is also a Director of WCT Berhad. He graduated in 1986 with a Bachelor of Science (Honours) in Mathematics from the University of Malaya and holds a postgraduate Diploma in Quantity Surveying from the Royal Institution of Surveyors, Malaysia. He is a member of the Royal Institution of Surveyors, Malaysia and the Royal Institution of Chartered Surveyor, United Kingdom.

Mr Liang has over 35 years of experience in the construction industry. He spent his early career with a prominent Malaysian construction group, where he was actively involved in the negotiation, tendering, construction and completion of many challenging projects in Malaysia. He was its Head of Contracts before he left to join WCT Group in 1997.

He started his career in WCT Group also as its Head of Contracts. With his extensive experience and in-depth knowledge in the construction industry, his role in WCT Group quickly expanded and he was entrusted with more and more responsibilities, first as General Manager in 2001 and not long thereafter as Executive Director of WCT Berhad in 2004. Presently he is responsible for WCT Group's Engineering & Construction Division operations for all local and overseas projects, ranging from contracts procurement to project implementation, execution and delivery. He also sits on the Executive Committees of all construction projects and is a member of the Management Committee of the Company.

TAN SRI MARZUKI BIN MOHD NOOR*
Independent Non-Executive Director
Malaysian/Male/Age: 74

Tan Sri Marzuki Bin Mohd Noor was appointed to the Board on 2 November 2016. He holds a Bachelor of Arts (Honours) Degree from the University of Malaya.

Tan Sri Marzuki started his career in the Administrative and Diplomatic Service of Malaysia in 1972 and retired in August 2006. From 1972, he served at various Malaysian Diplomatic Missions abroad before being appointed as Ambassador to Argentina with concurrent accreditation to Uruguay and Paraguay in 1992.

In 1996, he was appointed High Commissioner of Malaysia to India (concurrently accredited as Ambassador to Nepal). Prior to his retirement, he was the Ambassador of Malaysia to Japan from 1999 to July 2006. Subsequently, he was a Director in various companies within the DRB-Hicom Berhad Group until 2016.

Tan Sri Marzuki is the chairman of the Audit Committee and serves as a member of the Board Risk and Sustainability Committee and Nomination & Remuneration Committee of the Company. He is also the Senior Independent Non-Executive Director of the Company.

PROFILE OF DIRECTORS
cont'd

DATUK AB WAHAB BIN KHALIL*
Independent Non-Executive Director
Malaysian/Male/Age: 73

Datuk Ab Wahab Bin Khalil was appointed to the Board on 2 November 2016. He is a holder of a M.Litt from Universiti Kebangsaan Malaysia and a Bachelor of Arts (Honours) in Anthropology and Sociology from University of Malaya. He also holds a Certificate in Education from the Teachers Training College, Singapore.

Datuk Ab Wahab started his career as a management trainee in Lever Brothers (M) Sdn Bhd before moving to Warner Lambert (M) Sdn Bhd as a Product Manager. He subsequently joined Yardley of London as a Marketing and Sales Manager and subsequently Cold Storage (M) Bhd as a Business Manager where he rose to the position of General Manager of Bakeries, Ice & Meat Division. In 1990, he joined Perbadanan Perwira Niaga Malaysia (PERNAMA), a wholly-owned subsidiary of Lembaga Tabung Angkatan Tentera (LTAT) which specializes in the running of retail chain stores in military camps as the General Manager until 2015.

Served as Adjunct Professor at the Faculty of Business and Management UiTM and Arshad Ayub Graduate Business School UiTM. Adviser to the Institute of Business Excellence UiTM.

Datuk Ab Wahab chairs the Nomination & Remuneration Committee and is a member of the Audit Committee and Board Risk and Sustainability Committee of the Company.

DATO' NG SOOI LIN
Independent Non-Executive Director
Malaysian/Male/Age: 67

Dato' Ng Sooi Lin was appointed to the Board on 3 April 2017. He holds a Bachelor in Engineering from the University of Liverpool and a Full Technology Certificate from the City & Guild's London.

Dato' Ng is an engineer by profession with extensive working experience in the field of property development and management. He started his career in the property consultancy in Kuala Lumpur before moving on to play key roles in various development companies in Malaysia, Singapore and Brunei.

He joined Berjaya Land Berhad in November 1994 and was the Senior General Manager (Group Properties & Development) prior to his appointment as Executive Director of Berjaya Land Berhad in March 2003. He was subsequently appointed the Chief Executive Officer of Berjaya Land Berhad from 21 December 2006 until 31 December 2016 and re-designated as Non-Independent and Non-Executive Director with effect from 1 January 2017 till 11 December 2020.

Dato' Ng chairs the Board Risk and Sustainability Committee and is a member of the Audit Committee and Nomination & Remuneration Committee of the Company.

PROFILE OF DIRECTORS
cont'd

NG SOON LAI @ NG SIEK CHUAN
Independent Non-Executive Director
Malaysian/Male/Age: 68

Mr Ng Soon Lai @ Ng Siek Chuan was appointed to the Board on 1 February 2017. He is a fellow member of the Institute of Chartered Accountants in England & Wales.

Mr Ng has had several years of experience in the accounting profession with Coopers & Lybrand in London and Kuala Lumpur before moving on to the financial sector in 1980. Prior to joining Alliance Bank in July 1991 as General Manager of Credit, he had served in various positions in a leading local merchant bank and finance company. He was appointed as the Chief Executive Director of Alliance Bank Malaysia Berhad in 1994 and to the Board of Alliance Merchant Bank Berhad in 2002 until his resignation in 2005. Since then, he has held the post of Independent Director in several public listed companies.

He is currently an Independent Non-Executive Director of Tune Protect Group Berhad and ELK-Desa Resources Berhad as well as a director of a public company, China Construction Bank (Malaysia) Berhad.

Mr Ng is the chairman of the Options Committee and serves as a member of the Audit Committee of the Company.

RAHANA BINTI ABDUL RASHID
Independent Non-Executive Director
Malaysian/Female/Age: 61

Puan Rahana Binti Abdul Rashid was appointed to the Board on 1 January 2019. She completed her studies with a Bachelor of Science (Economics and Finance) in 1983 from Indiana State University, Terre Haute, Indiana, United States of America and continued her studies to receive a Master in Business Administration from the same university in 1984.

Puan Rahana started her career as Trainee Officer, Corporate Services Department with Raleigh Berhad (now known as Inter-Pacific Industrial Group Berhad) in 1984 before she extended her career into investment banking by joining Aseambankers Malaysia Berhad (now known as Maybank Investment Bank Berhad) in 1985. She joined Puncak Niaga (M) Sdn Bhd in 1996 as the General Manager, Corporate Finance. In 2001, Puan Rahana took a break from the corporate sector and undertook several consultancy assignments from various entrepreneurs.

In 2014, Puan Rahana took up the position of Chief Financial Officer in ORO Financecorp Ltd, a licensed microfinance corporation in Phnom Penh, Cambodia. Upon her return to Malaysia, Puan Rahana joined Tass Tech (Malaysia) Sdn Bhd, an IT specialist company, as the Finance Consultant in July 2016 and subsequently promoted to Director of Finance in March 2017.

Puan Rahana is a member of the Audit Committee as well as Board Risk and Sustainability Committee of the Company.

Notes:

Save as disclosed in their respective profile and the related party transactions as disclosed in Section 4 & 5 under Other Disclosures of this Annual Report, none of the Directors have:

(i) any other directorship in public companies and listed companies.
(ii) any family relationship with any Director and/or major shareholder of the Company.
(iii) any conflict of interest with the Company.
(iv) been convicted of any offences within the past 5 years other than traffic offences, if any.
(v) been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

Please refer to Corporate Governance Overview Statement for the number of Board Meeting attended by the Directors during the financial year.

** Directors who will be retiring at the forthcoming Annual General Meeting of the Company in accordance with the Company's Constitution and being eligible, are offering themselves for re-election.*

PROFILE OF KEY SENIOR MANAGEMENT

NG ENG KEAT
Director of Construction
Malaysian/Male/Age: 57

Mr Ng obtained his Diploma in Technology (Building) in 1990 from Tunku Abdul Rahman College, Kuala Lumpur, and a Bachelor of Applied Science degree in Construction Management and Economics from the Curtin University of Technology, Perth, Australia, in 2000.

He joined WCT Group as a Quantity Surveyor in 1990 and was successively promoted to the positions of Senior Quantity Surveyor in 1995, Contracts Manager in 1999, Senior Contracts Manager in 2004, Head of Contracts (Local Projects) in 2005, General Manager (Contract & Business Development – South East Asia) in 2007, Regional Director (South East Asia) in 2009, General Manager (Engineering & Construction Division) in 2011 and subsequently promoted to the current position on 1 April 2017. Mr Ng primarily oversees the Group's Engineering and Construction Division.

SELENA CHUA KAH NOI
Chief Executive Officer –Malls Management
Singaporean/Female/Age: 52

Ms Selena Chua joined WCT Group as the Chief Executive Officer for malls management on 3 April 2017. She holds a Bachelor of Science (Estate Management) (Honours) from the National University of Singapore.

Ms Selena Chua oversees all the malls in WCT's portfolio i.e. Paradigm Mall in Petaling Jaya, the airport malls - gateway@klia2 and SkyPark Terminal in Selangor, Bukit Tinggi Shopping Centre in Klang and Paradigm Mall in Johor Bahru. She is also involved in the planning and development/purchase of new malls for the Group. She has more than 30 years of retail leasing, planning and operation experience. Prior to joining WCT Group, she was the Managing Director/Retail Director with Synergistic Retail Consultancy and Management Pte Ltd. She was also the General Manager of John Little Department Store ("John Little") and was responsible for the performance and growth of the business in Singapore and the region. Prior to joining John Little, she was the Head of Group Retail Leasing Singapore at CapitalLand Retail Limited for 9 years, the Leasing Manager of Scotts Shopping Centre and was also with CB Richard Ellis (Pte) Ltd's Retail Department for 4 years. She also took care of the operations of Parkway Parade Shopping Mall for 2 years. Some of the malls she was involved in includes Ion Singapore, Raffles City Singapore, Raffles City Shanghai, Plaza Singapura, Tampines Mall, Junction 8, IMM. Ms. Selena was part of the team that listed the 1st retail REIT in Singapore.

CHONG WAH HING
Chief Operating Officer – Property Development
Malaysian/Male/Age: 49

Mr Chong joined WCT Group as Assistant Development Manager in April 2004 and was subsequently promoted to Chief Operating Officer of Property Division on 1 July 2019. He graduated with a Bachelor of Architecture (Honour) from Deakin University, Melbourne, Australia in 1998.

Prior to joining WCT Group, he was an Architect with 2 architecture firms in Kuala Lumpur for 5 years. He is now responsible for the operations of the Development, Contract & Project Departments in WCT's Property Division and had been involved in several projects in Klang Valley, namely the mixed residential & commercial development projects in Bandar Bukit Tinggi 1 & 2, Bandar Parklands and Première Hotel in Klang, New World Petaling Jaya Hotel, Paradigm Mall and Service Apartment in Petaling Jaya as well as a mixed commercial and residential development in Kuala Lumpur. Besides, he was also involved in several projects in the Southern Region, namely the Medini Iskandar Condominium & Mixed Commercial Development and Paradigm Mall Johor Bahru as well as a high-end landed property project in Kota Kinabalu, Sabah.

PROFILE OF KEY SENIOR MANAGEMENT
cont'd

CHONG KIAN FAH
Director of Finance and Accounts / Company Secretary
Malaysian/Male/Age: 53

Mr Chong joined WCT Group as Chief Accountant in 2008 and was gradually promoted to the Director of Finance and Accounts on 1 January 2017. Currently, he is responsible for WCT Group's overall accounting and financial matters, including WCT Group's overseas interests in Vietnam, India and the Middle East. Mr Chong is also a Company Secretary of WCT Group. He is a Chartered Accountant by profession, having completed his professional qualification with the Malaysian Institute of Certified Public Accountants in 1995 and is currently a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants.

During his earlier tenure with Messrs Ernst & Young Malaysia from 1993 to 1999, his scope of work included audit, due diligence review and consultancy services. In 1999, he joined Degem Berhad as its Head of Accounts & Finance before moving on to Scomi Engineering Berhad in 2006 as its General Manager of Finance.

KHOR LOKE YEW
Director of Legal Affairs and Secretarial
Malaysian/Male/Age: 53

Mr Khor joined WCT Group as its Head of Legal Affairs in 2007 and has remained with WCT Group since where he was promoted to and appointed as the Director of Legal Affairs and Secretarial on 1 January 2017. He graduated with a Bachelor of Laws (Honours) degree from the University of Malaya in 1993 and was called to the Malaysian Bar in 1994.

Prior to joining WCT Group, he was a practicing lawyer and a partner in an established law firm in Kuala Lumpur for 14 years. He is responsible for all WCT Group's legal and company secretarial matters, both locally and overseas, including all joint ventures and projects in Malaysia, Vietnam, India and the Middle East.

LAI CHENG YEE
Director (Executive Chairman's Office)
Malaysian/Female/Age: 48

Ms Lai joined the Company as the Director (Executive Chairman's Office) on 15 August 2018. She is an Associate Member of the Malaysian Institute of Chartered Secretaries & Administrators (MAICSA) and she also holds a Master's Degree in Economics from the University of Malaya, Kuala Lumpur.

Ms Lai has over 20 years of professional experience working in local conglomerates such as B.I.G. Industries Berhad and the Pavilion Group as well as multinational FMCG companies such as Diethelm Malaysia, Procter & Gamble and F&N Malaysia. Ms Lai had built her career over the past years in the areas of corporate planning, projects management and research & analysis. She was heading the Corporate Planning & Insights department at F&N Malaysia before joining WCT Group. Ms Lai's key areas of responsibility in WCT Group include the performance of the hospitality and aviation divisions, development of new businesses, undertaking special projects as well as supporting the Executive Chairman in performance management and improvement.

Notes:

Save as disclosed in their respective profile, none of the Key Senior Management have:

(i) any other directorship in public companies and listed companies.
(ii) any family relationship with any Director and/or major shareholder of the Company.
(iii) any conflict of interest with the Company.
(iv) been convicted of any offences within the past 5 years other than traffic offences, if any.
(v) been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

CORPORATE DIARY 2021

JANUARY 2021

WCT Celebrates its 40th Anniversary

2021 is a significant milestone for the WCT Group, marking four decades in nation-building efforts and innovation since our first foray into the construction scene in 1981. Since then, we have undertaken more than 400 award-winning building and infrastructure projects both locally and internationally, building modern living lifestyles from ground up, serving communities with our shopping malls and hospitality segments and handling the niche private aviation market.

A Virtual Homebuying Experience

As part of the Group's ongoing journey towards digitalisation, WCT Land Sdn Bhd ("WCT Land") launched the WCT Virtual Gallery on 12 January 2021, an immersive 3D virtual homebuying experience with personalised live-chat consultation by the company's representatives. The WCT Virtual Gallery allows prospective homebuyers to explore WCT's property projects at their leisure and it is accessible anytime, anywhere all in the comfort of their own home.

Scan to visit WCT Virtual Gallery

FEBRUARY 2021

WCT Berhad secured Superstructure Works Contract

WCT Berhad ("WCTB") accepted a contract worth RM136.7 million awarded by Lendlease Projects (M) Sdn Bhd on 8 February 2021 for the completion of superstructure works for the proposed 29 Storeys of Hotel Parcel B (Phase 2) and 13 Storeys of Office Parcel A (Phase 1) located at Lot PT157, Seksyen 67, Jalan Tun Razak/Jalan Davis, Bandaraya Kuala Lumpur, Malaysia.

MARCH 2021

Première Hotel Awarded MFAR Gold Certification

On 16 March 2021, Première Hotel is honoured to be the first hotel in Klang to be awarded GOLD certification of the Muslim-Friendly Accommodation Recognition (MFAR) by Islamic Tourism Centre, Malaysia (ITC) in recognition for its excellent Muslim-friendly facilities, amenities and hospitality services. Supported by the Ministry of Tourism, Arts and Culture (MOTAC), this award aims to further strengthen the tourism industry, especially in the Muslim-friendly tourism market segment with Malaysia poised to be the destination of choice for Muslim travellers.

Contract Awarded by the Ministry of Transport Malaysia

On 23 March 2021, WCTB secured a main contract work of RM440.4 million, to undertake and execute for the Proposed Extension and Upgrading of Sultan Ismail Petra Airport, Pengkalan Chepa, Kota Bharu, Kelantan, Malaysia.

CORPORATE DIARY 2021
cont'd

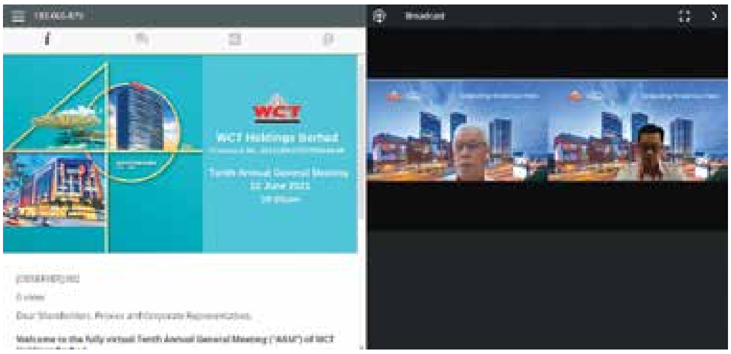
APRIL 2021

Launch of the Maple Residences Tower B

The Maple Residences is a luxurious freehold residential condominium located within a 63-acre integrated mixed development -W City OUG @ Kuala Lumpur. It is a sustainable development featuring excellent connectivity with numerous nearby amenities, as well as both retail and commercial spaces, linear park and an urban forest. Launched in October 2020, the Tower A has attained 71% take-up rate while Tower B was launched in April 2021.

Nostalgic Raya Decorations at WCT Malls
16 April – 23 May 2021

WCT Malls partnered with both Selangor Tourism and Johor Tourism to light up the Hari Raya festivities with traditional kampung-inspired decorations at the respective malls. Paradigm Mall PJ, gateway@klia2 and SkyPark Terminal were decorated with the sceneries of Sekinchan in Selangor, featuring kampung decorations with replicas of paddy fields. Meanwhile, Paradigm Mall JB featured pineapple-themed raya décor inspired by the pineapple farms at Pekan Nenas. The décor at Paradigm Mall JB accorded the Malaysia Book of Records for the "Largest Pineapple-Themed Raya Decoration" with its 1,400 sq. ft. indoor farm decoration area completed with 224 pineapple pieces.



JUNE 2021

Tenth (10th) Annual General Meeting

In compliance with the Companies Act 2016 and the Bursa Malaysia Listing Requirements in the new normal, WCT's 10th Annual General Meeting was held virtually on 22 June 2021 with all resolutions tabled approved by the shareholders.

JULY 2021

Contactless Services for gateway@klia2 Shoppers

In an effort to provide a safer, more convenient shopping experience, gateway@klia2 has launched both Drive-Thru & Personal Shopper services with the aim to minimise contact and reconnect with shoppers during the pandemic season. The Personal Shopper services are offered directly from participating tenants or via WhatsApp, allowing customers to pre-order their groceries, necessities and F&B goods and to pick up their products safely at Arrivals Door 2. Participating tenants include Jaya Grocer, Family Mart, Watsons, Guardian, Auntie Anne's, Gong Cha, Aerotel and more.

CORPORATE DIARY 2021
cont'd

JULY 2021 *Cont'd*

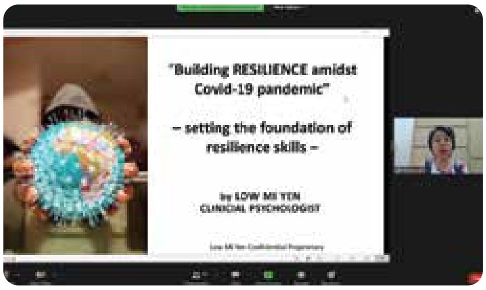
Contract on Expansion of Sapangar Bay Container Port at Jalan Sapangar, Kota Kinabalu, Sabah, Malaysia

WCT-CCCC Joint Venture, an unincorporated joint venture between WCTB and China Communications Construction Company (M) Sdn Bhd ("CCCC") on a 60:40 basis, had on 8 July 2021 accepted a contract worth RM899.8 million awarded by the Government of Malaysia, represented by Sabah Economic Development and Investment Authority to undertake and execute the Proposed Expansion of Sapangar Bay Container Port on 01200707, 01200809, 015601117 & 015493795 at Jalan Sapangar, Kota Kinabalu Sabah, Malaysia.

Première Hotel Supports National COVID-19 Immunisation Programme

Première Hotel in Klang was appointed as one of the designated vaccination centres (PPV) for Klang residents under the National COVID-19 Immunisation Programme (PICK) from 13 July to 31 August 2021. 130 personnel including hotel service employees, volunteers and medical officers were part of the team who administered a total of 29,632 doses of vaccine daily from the hotel's Grand Ballroom throughout the period. The hotel also provided storage facilities for the vaccines.

AUGUST 2021



Building Resilience during the Pandemic

WCT Group hosted a live webinar session on the topic of "Building Resilience Amidst COVID-19" on 19 and 29 August 2021 with close to 300 employees from various business divisions in attendance. In this webinar, Ms Low Mi Yen, a professional clinical psychologist speaker, shared tips regarding the development and application of resilience skills when dealing fear, ambiguity, and uncertainty as an individual or as part of the company's workforce.

NOVEMBER 2021

Implementation of Enhanced Preventive Measures

WCT Group has implemented the enhanced preventive measures that is in line with the Government's Standard Operating Procedures across all offices and premises for a pleasant, hygienic and comfortable working environment.

Launch of the All-New "WCT Buddy 2.0" Mobile App

On 1 November 2021, WCT Group launched the all-new enhanced lifestyle community WCT Buddy mobile app, which providing various benefits to its customers, property owners and communities. With the new WCT Buddy App, members can stay connected, keep up with all relevant updates and enjoy exclusive features such as property viewing for home buyers, new launches, latest offers and promotions, rewards and event notifications. WCT Buddy, which was introduced in 2018, is the Group's flagship loyalty programme that offers seamless experiences across WCT businesses, including properties by WCT Land and hotels.

CORPORATE DIARY 2021
cont'd

NOVEMBER 2021 *Cont'd*

Selangor Aviation Show 2021 @ SkyPark RAC

WCT Group's SkyPark Regional Aviation Centre (RAC), Subang, Selangor was made the official venue for the inaugural Selangor Aviation Show 2021 ("SAS 2021") from 25 to 27 November 2021, an event hosted by the Selangor State Government and organised by Invest Selangor Bhd. With the theme of "Selangor, The ASEAN Business and General Aviation Hub', SAS 2021 was a three-day regional networking event which featured over 5,000 visitors and 43 exhibitors, including the world's best aerospace and aviation industry figures to showcase the future of the aviation & aerospace industry.

DECEMBER 2021

WCTB Achieves 5-Star SHASSIC Rating

On 14 December 2021, WCTB was honoured to be accorded the highest 5-Star Rating in the Safety and Health Assessment System in the Construction (SHASSIC) achievement by CIDB Malaysia for our commitment in MRT2 - Package V204 Project (Construction and Completion of Viaduct Guideway and Other Associated Works from Bandar Malaysia South Portal to Kampung Muhibbah) with a score of 93%.

Paradigm Mall Petaling Jaya Supports National COVID-19 Immunisation Programme

Paradigm Mall Petaling Jaya supports the National COVID-19 Immunisation Programme by becoming a host as a Pusat Pemberian Vaksin (PPV) for COVID-19 Booster Shot in December 2021.

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

INTRODUCTION

WCT Holdings Berhad ("WCT" or the "Group") presents its Sustainability Statement 2021 ("SS2021") for financial year ended 31 December 2021 ("FY2021").

SS2021 provides a comprehensive account of WCT's environmental, social and governance (ESG) performance with the goal of highlighting the Group's continued progress on its journey of sustainability.

WCT is committed to ensuring that financial value creation is sustained through a committed and strategic focus on material ESG matters. This focus is aimed at enabling effective mitigation against risks and to strengthen the business model towards ensuring resilience against emerging issues such as climate change, supply chain disruptions and others.

Through a committed and strategic ESG focus, WCT aims to strengthen its competitive ability to sustain stakeholder value creation amidst a fast-changing and dynamic business environment.

Readers can find a more comprehensive disclosure of the Group's business performance and value creation strategies by reading this SS2021 report together with the WCT's Annual Report 2021 ("AR2021").

APPLIED FRAMEWORKS

The Board of Directors of WCT Holdings Berhad duly recognises responsibility for the following: Information contained herein SS2021 has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2020 Core Option (Full GRI content index is provided at the end of SS2021).

In addition, SS2021 has been developed in reference to the following reporting frameworks and guidelines:

- Bursa Malaysia's Sustainability Reporting Guide Second Edition
- Recommendations of the Task Force on Climate-related Financial Disclosure (TCFD)

REPORTING PERIOD

SS2021 covers the reporting period from 1 January 2021 to 31 December 2021 ("FY2021"). The majority of statistics presented in this report is based on a 3-year timeframe. WCT reports its sustainability performance on an annual basis.

SCOPE & MATERIAL MATTERS BOUNDARY

SS2021's scope for disclosures comprises significant material matters arising from WCT's core business operations and activities in Malaysia. These core business operations and activities are:

- Engineering and Construction
- Property Development
- Property Investment and Management

Our boundaries are based on the prioritisation of the Group's materiality matters and the GRI's Reporting Principles for defining report content: These are stakeholder inclusiveness, sustainability context, materiality, and completeness outlining report content.

WCT has also ascertained the quality of disclosures by applying the following criteria: accuracy, balance, clarity, comparability, reliability and timeliness.

Data disclosed in SS2021 has been internally sourced and collected from official Group records and documents. Collected data and results are measured by industry standards and industry-accepted calculation methodologies such as the Greenhouse Gas (GHG) Protocol.

SUSTAINABILITY STATEMENT
cont'd

All subsidiaries under the Group's management control is included in FY2021's reporting. The disclosure of management approach and data is based on the aforementioned business divisions.

The full list of projects and offices are provided as follows:

List of Projects and Offices	Division	Type
The Ascent, Selangor	Property Development	Office
One Medini Sdn Bhd ("OMSB"), Selangor	Property Development	Office
Gemilang Waras Sdn Bhd ("GWSB"), Selangor	Property Development	Office
WCT OUG Development Sdn Bhd ("WCT OUG"), Kuala Lumpur	Property Development	Office
Labur Bina Sdn Bhd ("LBSB"), Selangor	Property Development	Office
W City JGCC ("W City JGCC"), Johor	Property Development	Project Site
W City OUG ("W City OUG"), Kuala Lumpur	Property Development	Project Site
Aronia Apartment, Selangor	Property Development	Project Site
Paradigm Johor Bahru Hotel and Residences ("Paradigm Hotel and Residence"), Johor	Property Development	Project Site
Pavilion Mont Kiara, Kuala Lumpur	Property Development	Project Site
Parklands Gravity Sewerage, Selangor	Property Development	Project Site
Mass Rapid Transit 2 ("MRT2 V204 & S204"), Kuala Lumpur	Engineering and Construction	Project Site
Merdeka 118 – Retail Mall ("Merdeka Mall"), Kuala Lumpur	Engineering and Construction	Project Site
Pan Borneo Highway, Sabah	Engineering and Construction	Project Site
The Exchange TRX Retail ("TRX Retail"), Kuala Lumpur	Engineering and Construction	Project Site
The Exchange TRX Hotel and Office ("TRX Hotel and Office"), Kuala Lumpur	Engineering and Construction	Project Site
West Coast Expressway ("WCE"), Selangor	Engineering and Construction	Project Site
Light Rail Transit Line 3 ("LRT3 GS02 & GS03"), Selangor	Engineering and Construction	Project Site
Tun Razak Exchange ("TRX C2"), Kuala Lumpur	Engineering and Construction	Project Site
Pavilion Damansara Heights, Kuala Lumpur	Engineering and Construction	Project Site
Elevated Highway Project, Sprint Highway, Kuala Lumpur	Engineering and Construction	Project Site
WCT Machinery, Selangor	Engineering and Construction	Business Operations
Sapangar Bay Jetty Expansion ("Sapangar Bay"), Sabah	Engineering and Construction	Project Site
Kota Bharu Airport, Kelantan	Engineering and Construction	Project Site
SkyPark Aviation, Selangor	Business Aviation	Business Operations
Paradigm Mall, Petaling Jaya, Selangor	Retail Malls	Business Operations
Paradigm Mall, Johor Bahru, Johor	Retail Malls	Business Operations
gateway@klia2, Selangor	Retail Malls	Business Operations
SkyPark Terminal, Selangor	Retail Malls	Business Operations
New World Petaling Jaya Hotel, Selangor	Hotel	Business Operations
Première Hotel, Selangor	Hotel	Business Operations

SUSTAINABILITY STATEMENT
cont'd

EXCLUSIONS

Outsourced operations and activities of joint venture companies are excluded, unless otherwise stated. WCT is cognisant that despite its best efforts, data for certain disclosures may be unavailable. Among the gaps identified are disclosures on the ESG performance of the Group's supply chain.

The Group is progressively strengthening its ongoing data collection efforts to close any reporting gaps in future reports. This will necessitate continued, close collaboration with suppliers, vendors, business partners and contractors.

MEMBERSHIP IN ASSOCIATIONS

WCT is a member of the following industry associations, organised based on our various business segments. Regarding our Business Aviation segment, we have listed the relevant official authorities governing the operations.

Engineering and Construction

- Construction Industry Development Board (CIDB) - WCTB, WCTC, WCT TSR S/B, KKBWCT Joint Venture S/B
- CIDB - Sijil Perolehan Kerja Kerajaan (SPKK) - WCTB
- CIDB - Contractor's Capacity & Capability Evaluation (SCORE) - WCTB
- Suruhanjaya Perkhidmatan Air Negara (SPAN)
- Permit IPA Jenis C1 (Bekalan Air) - WCTB
- Permit IPA Jenis C1 (Pembetungan) - WCTB
- Pusat Pendaftaran Kontraktor Kerja, Bekalan Dan Perkhidmatan Negeri Sabah - Kementerian Kewangan Sabah (PUKONSA) - WCTC
- Sabah Trading Licence - WCTB, WCTC, WCT Machinery
- Sarawak Trading Licence - WCTB, WCTC, WCT Machinery, KKBWCT Joint Venture S/B
- National Institute of Occupational Safety and Health (NIOSH) - WCTB
- Master Builders Association Malaysia (MBAM) - WCTB

Property Development

- Construction Industry Development Board (CIDB)
- Real Estate & Housing Developers' Association Malaysia (REHDA)
- Malaysian Employers Federation (MEF)

Retail Malls

- Persatuan Pengurusan Kompleks Malaysia (PPK), also known as Malaysia Shopping Malls Association

Business Aviation Authorities

- Civil Aviation Authority of Malaysia (CAAM)
- Malaysian Aviation Commission (MAVCOM)
- Malaysia Airports Holdings Berhad (MAHB)

Hotels

- Malaysian Association of Hotels (MAH) - Première Hotel and New World PJ Hotel
- Malaysian Association of Hotel Owners (MAHO) - Première Hotel and New World PJ Hotel
- Association of Hotel Employers (AHE) - New World PJ Hotel
- Malaysia Inbound Chinese Association (MICA) - New World PJ Hotel

ASSURANCE

WCT has undertaken independent auditing and assurance for financial data presented in this report where the figures can be cross-referenced to the Financial Highlights. WCT has not acquired 3rd party assurance for non-financial, sustainability-related data.

FORWARD LOOKING STATEMENTS

This report contains forward-looking statements such as targets, prospects, future plans and reasonable assumptions that were set in regard to expected or future performances which are based on presently available data and information as well as current operating environment conditions.

It is advisable that readers refrain from placing undue reliance on such statements as our business and expectations are subject to risks and uncertainties beyond our control. Actual results may differ.

SUSTAINABILITY STATEMENT
cont'd

REPORT AVAILABILITY AND FEEDBACK

SS2021 is available for download at https://www.wct.com.my/sustainability/. The Group welcomes feedback, comments and suggestions for improvement, which can be sent to:

Manager, Corporate Affairs,
Group Corporate Affairs,
WCT Holdings Berhad,
B-30-01,
The Ascent, Paradigm,
No. 1, Jalan SS7/26A, Kelana Jaya,
47301 Petaling Jaya,
Selangor Darul Ehsan, Malaysia.
Tel : +(603) 7806 6688
Email : corporate.affairs@wct.my

MILESTONES AND SUSTAINABILITY JOURNEY

2017	2018	2019	2020	2021	2022
Commenced sustainability reporting guided by Bursa Malaysia & GRI standards	Enhanced year-on-year data accuracy and disclosure	Established Board Risk and Sustainability Committee	Established COVID-19 response and disclosure	Refreshed materiality assessment	Launch of new Group Vision and Mission Statements
Conducted first materiality assessment	Refined material matters	Strengthened data integrity and expanded scope of data tracking	Refined reporting for investors and analysts	Developed sustainability goals & strategies	
Developed year-on-year data reporting format	Sustainability awareness briefing to Board and employees	UNSDGs alignment based on global standards of sustainability frameworks	Developed Anti-Bribery and Anti-Corruption Policy & SOP	Formalised group-wide Stakeholder Engagement Policy	

SUSTAINABILITY STATEMENT
cont'd

OTHER NOTABLE SUSTAINABILITY RELATED DEVELOPMENTS:

2017

gateway@klia2 shopping mall in Sepang, Selangor was awarded the Leadership in Energy & Environmental Design (LEED) Silver Certification by the U.S. Green Building Council. This was WCT's first LEED Silver certified sustainable mall.

2017

Completion of the Lot 2C5, Precinct 2, Putrajaya, a Green Building Index (GBI) Silver rated commercial development comprising two building blocks of 7-storey podium and 14-storey towers with retail and associated facilities and two levels of basement carpark.

2018 - 2021

Development of 1,253 affordable homes under the Rumah Selangorku project with a Gross Development Value (GDV) of RM278.5 million.

2019

Transformed an abandoned project into Paradigm Mall, Johor Bahru, a thriving urban hub for the local populace that serves as a nucleus for retail, entertainment and leisure activities.

SUSTAINABILITY STATEMENT
cont'd

SUPPORTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

WCT's efforts in supporting sustainability is closely aligned to larger global initiatives. In its approach to create stakeholder values and shared prosperity, the Group has adopted the following United Nations Sustainable Development Goals (UNSDG).

SDG	SDG Targets	Highlights and Achievements	Commitments, Targets and Pledges
1 NO POVERTY Corresponding Material Matter: Economic Contribution to Stakeholders Employee Welfare	Target 1.2: By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.	• WCT disbursed financial aid of approximately RM320,600 to all employees affected by the flood in December 2021. • WCT provided food aid worth RM177,000 to those affected by the COVID-19 pandemic. • WCT's retail malls and hotels continue to provide various types of food aid for the poor, especially urban poor, affected by COVID-19. • WCT's Engineering and Construction Division collaborated with CIDB Kuala Lumpur under the Industri Pembinaan food donation programme to distribute necessities to the construction workers.	1. Invest 0.2% of the preceding year's revenue to CSR.
3 GOOD HEALTH AND WELL-BEING Corresponding Material Matter: Occupational Health & Safety (OHS) Pollution Product Quality & Safety Local Community Wellbeing	Target 3.9: By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.	• WCT invested approximately RM300,000 to vaccinate 2000 employees and their families against COVID-19 in 2021. • In addition, WCT installed air-cleaning devices in all offices with a total investment of approximately RM600,000 to provide a pleasant, hygienic and comfortable working environment for all.	1. Implement an Occupational Health and Safety Management System based on a recognised Standard at all Divisions by 2030.
4 QUALITY EDUCATION Corresponding Material Matter: Learning & Growth	Target 4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.	• 25.9% of the workforce are below 30 years old. • WCT donated over RM160,000 to educational institutions.	1. Increase average training hours to 3 hours in 2022 (Baseline: 2 hours in 2020/2021)

SUSTAINABILITY STATEMENT
cont'd

SDG	SDG Targets	Highlights and Achievements	Commitments, Targets and Pledges
5 GENDER EQUALITY Corresponding Material Matter: Diversity, Equality & Inclusion	Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.	• 27.4% of the workforce comprises women. • 4.1% of women are in managerial roles.	1. 30% of sitting Board of Directors to be women by 2026. 2. Increase percentage of women in managerial roles by 5% by 2026 (Baseline year: 4.1% in 2021).
6 CLEAN WATER AND SANITATION Corresponding Material Matter: Pollution Water	Target 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally. Target 6.4: By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity. Target 6.5: By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate.	• Zero incidents of serious effluent discharge/water pollution. • Zero fines for effluent discharge. • Increased use of rainwater harvesting to reduce consumption of potable water.	1. To reduce the Group-wide average water intensity by 10% from 2019 records which is equivalent to a reduction of 0.02 m^3/ft^2 by 2030.
7 AFFORDABLE AND CLEAN ENERGY Corresponding Material Matter: Energy	Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix. Target 7.3: By 2030, double the global rate of improvement in energy efficiency.	• Reduction in electricity consumption and electricity intensity for FY2021.	1. Reduce the group-wide average electricity intensity by 10% from 2019 records which is equivalent to a reduction of 2.86 kWh/ft^2 by 2030.

SUSTAINABILITY STATEMENT
cont'd

SDG	SDG Targets	Highlights and Achievements	Commitments, Targets and Pledges
8 DECENT WORK AND ECONOMIC GROWTH Corresponding Material Matter: Respect for Human Rights Occupational Health & Safety (OHS)	Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. Target 8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers.	• WCT employed a total of 2,302 people in 2021 (380 new hires in 2021). • 85% local employment in FY2021. • 25.9% of employees aged 30 years and below.	1. Conduct human rights reviews of all divisions by 2023. 2. Incorporate human rights due diligence requirements into tendering processes for tenders valued more than RM1 million by 2023. 3. Zero incident resulting in employee and contractor* permanent disability or fatality by 2030. (Baseline: Zero in 2019). **Contractors working on locations/sites under WCT's control.* 4. Implement an OHSMS based on a recognised Standard at all Divisions by 2030. 5. Conduct SHASSIC assessment for E&C projects valued at more than RM100 million and achieve 5-star rating by 2030.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE Corresponding Material Matter: Product Quality & Safety Economic Contribution to Stakeholders	Target 9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all. Target 9.2: Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries. Target 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries acting in accordance with their respective capabilities.	• WCT Land completed its third Rumah Selangorku – Aronia Apartments in November 2021 • Continued proliferation of digital tools and technologies to progressively contribute to the development of a more sustainable construction and property development industry.	1. Achieve more than 85% score on customer satisfaction surveys by 2023 (Baseline: Average 81% in 2019). 2. Maintain zero incidents of noncompliance with regulations resulting in a fine or non-monetary action by authorities or litigation. (Baseline: Zero in the past three years).

SUSTAINABILITY STATEMENT
cont'd

SDG	SDG Targets	Highlights and Achievements	Commitments, Targets and Pledges
10 REDUCED INEQUALITIES Corresponding Material Matter: Diversity, Equality & Inclusion Employee Welfare	Target 10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status. Target 10.3: Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard. Target 10.4: Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.	• 27.4% of workforce comprises women. • 4.1% of women are in managerial roles. • As of 31 December 2021, 84 young graduates were selected for internship under WCT's Protégé RTW Programme. The target group are those unemployed, zero work experience and mainly from B40 Family category. By end April 2022, 39 candidates will be absorbed into full-time employment. • WCT donated over RM1 million to underprivileged communities.	1. 30% of BOD members to be women by 2026. 2. Increase the percentage of women in managerial roles by 5% by 2026 (Baseline year: 4.1% in 2021).
11 SUSTAINABLE CITIES AND COMMUNITIES Corresponding Material Matter: Local Community Wellbeing Product Quality & Safety	Target 11.7: By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities.	• High retention of green landscapes, notably for property development projects.	1. Zero official substantiated complaints from neighbouring communities at WCT locations by 2030 (Baseline: Less than 10 in 2021)
12 RESPONSIBLE CONSUMPTION AND PRODUCTION Corresponding Material Matter: Materials Pollution Waste	Target 12.2: By 2030, achieve the sustainable management and efficient use of natural resources. Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	• WCT's Landfill Waste Reduction Programme at offices diverted, 7,356 kg of waste from landfill. • 47.96 tonnes of cooking oil collected for recycling.	1. Reduce waste sent to landfill by 10% by 2026, and 20% by 2030 (Baseline: 44% in 2019). 2. Use material efficiently in the production of our goods and services to conserve natural resources. 3. Maintain zero significant instances of legal noncompliance leading to fines or non-monetary action from authorities. (Baseline: Zero in the past 2 years). 4. Zero official substantiated complaints from neighbouring communities at WCT locations by 2030 (Baseline: Less than 10 in 2021).

SUSTAINABILITY STATEMENT
cont'd

SDG	SDG Targets	Highlights and Achievements	Commitments, Targets and Pledges
13 CLIMATE ACTION Corresponding Material Matter: GHG Emissions & Climate Change	Target 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries. Target 13.2: Integrate climate change measures into national policies, strategies and planning.	• Identification of climate change risks and opportunities and development of mitigation plans for all business divisions. • Continued participation in urban rail transportation projects that reduce cars and ultimately emissions and energy consumption.	1. Reduce CO2e intensity by 10% by 2030.
15 LIFE ON LAND Corresponding Material Matter: Biodiversity Loss	Target 15.5: Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.	• 1,437 trees planted in 2021. • Compliance with all Environmental Impact Assessments ("EIA").	1. Replant 30% of felled trees or 500 trees per year (whichever lower).
16 PEACE, JUSTICE AND STRONG INSTITUTIONS Corresponding Material Matter: Ethical Business Conduct	Target 16.5: Substantially reduce corruption and bribery in all their forms. Target 16.6: Develop effective, accountable and transparent institutions at all levels. Target 16.7: Ensure responsive, inclusive, participatory and representative decision-making at all levels.	• Zero incidents of corruption. • Establishment of Anti-Bribery and Anti-Corruption ("ABAC") Policy. • 100% of Board of Directors and Senior Management received ABAC training.	1. Zero confirmed incidents of corruption. 2. Zero public legal cases regarding corruption brought against WCT or its employee.

As a mark of quality and continued compliance to best practice industry standards, WCT and its subsidiary companies have attained the following certifications:

MANAGEMENT SYSTEM CERTIFICATIONS

Quality Management Systems Certifications

- **ISO 9001 : 2015**
  Quality Management Systems for WCT Berhad (including WCT Construction Sdn Bhd)
  Certification No. QMS 00887
- **ISO 9001 : 2015**
  Quality Management Systems for WCT Machinery Sdn Bhd
  Certification No. QMS 01762
- **ISO 9001 : 2015**
  Quality Management Systems for WCT Land Sdn Bhd and its subsidiaries
  Certification No. QMS 01306
- **ISO 9001:2015**
  Quality Management Systems for WCT Properties Sdn Bhd
  Certification No. QMS 03141

Occupational Health & Safety Management Systems Certifications

- **ISO 45001 : 2018**
  Occupational Health and Safety Management Systems for WCT Berhad (including WCT Construction Sdn Bhd)
  Certification No. OHS 00221
- **ISO 45001 : 2018**
  Occupational Health and Safety Management Systems for WCT Machinery Sdn Bhd
  Certification No. OHS 00503
- **ISO 45001 : 2018**
  Occupational Health and Safety Management Systems for WCT Land Sdn Bhd and its subsidiaries
  Certification No. OHS 00227

Environmental Management Systems Certification

- **ISO 14001 : 2015**
  Environmental Management Systems for WCT Berhad (including WCT Construction Sdn Bhd)
  Certification No. EMS 00520
- **ISO 14001 : 2015**
  Environmental Management Systems for WCT Machinery Sdn Bhd
  Certification No. EMS 00931

SUSTAINABILITY STATEMENT
cont'd

MESSAGE FROM THE EXECUTIVE DIRECTOR AND CHAIRMAN OF WCT GROUP SUSTAINABILITY COMMITTEE

FY2021 has proven to be another year of change and challenge for the world.

From the continued effects of the COVID-19 pandemic to the COP26 summit in Glasgow, UK, and Hurricane Ria which had affected Malaysia and other countries, 2021 has seen a further awakening among stakeholders that the world we live in, is experiencing various disruptive forces.

There is the collective realisation that the prevailing issues of climate change, global warming, water security and labour rights will have a profound impact on the global agenda of socio-economic growth and prosperity. Ultimately, the onus is on all stakeholders to address the existing challenges by offering new business models and solutions to realise stakeholder value creation.

The construction sector as well as property development are significant contributors to global economic growth. They are also major contributors to environmental and social impacts. We, at WCT are cognisant of this and we continue to collectively strive as a Group to improve our ESG performance.

FY2021 has seen WCT continue to attain progress on multiple fronts; in mitigating its carbon footprint, in committing to better labour practices and keeping its stakeholders safe from the ongoing COVID-19 pandemic.

In aligning to Bursa Malaysia's climate change disclosure recommendations, WCT is bolstering its related disclosures. This includes governance in respect to climate change risks and opportunities. We will develop our disclosures accordingly in future reports.

FY2021 has been a year of growth and also many lessons learnt, which will fuel further improvements to our approaches in managing and mitigating ESG impacts. Highlights are provided in the following section: "Supporting the United Nations Sustainable Development Goals" of this report. Further specific information is discussed in detail in the subsequent pages of this Sustainability Statement.

Going forward, as a reflection of our commitment to ESG, WCT has established specific targets and tangible action plans as per its Sustainability Framework.

The Framework links our Vision and Mission, which is essentially our corporate purpose and business philosophy on sustainability. The framework establishes how WCT intends to realise its value creation aspirations and to generate robust business and financial performance via an integrated and comprehensive ESG strategy. This includes establishing KPIs and targets. KPIs and targets provide a tangible focus point and serve as a reference to measure our performance year-on-year.

WCT will continue to adopt the circular economy model across its business operations. Driven by our selected United Nations Sustainable Development Goals, inspired by the UN Global Compact Principles on Responsible Business, WCT will continue embedding sustainability across its business model towards sustaining value creation. We remain committed to playing our part for a brighter, sustainable future that the generations of today and tomorrow can confidently look forward to. The challenges abound but so do the solutions and new opportunities for value creation amidst exciting new opportunities, made possible through new approaches, ideas and digital technology.

Liang Kai Chong
Executive Director of WCT Holdings Berhad and Chairman of WCT Group Sustainability Committee

SUSTAINABILITY STATEMENT
cont'd

STAKEHOLDER ENGAGEMENT

Stakeholder inclusivity is an integral aspect of WCT's approach to sustainability. Engaging stakeholders over a wide range of issues and concerns enables the Board and Management to develop a more comprehensive perspective of materiality.

WCT defines stakeholders as individuals, groups and entities that are impacted by the Group's business operations and / or, individuals, groups or entities that are capable of impacting WCT's business and operations.

Engagement enables the views of stakeholders to come to the fore, allowing for a clearer understanding of how these individuals or groups can impact WCT's business model, its access to capitals, its brand credibility and corporate reputation and ultimately, value creation.

In essence, looking after stakeholders is imperative towards ensuring the continued growth and success of the Group.

Stakeholders are prioritised based on the degree of their influence and dependence on WCT. This prioritisation is reassessed periodically. Stakeholders' views are also garnered in determining material ESG matters for the Group.

In FY2021, WCT implemented its Stakeholder Engagement Policy. The Policy can be viewed here: https://www.wct.com.my/about/governance_and_policies/?c=stakeholder_engagement_policy. This Policy applies throughout WCT Group for any engagement with stakeholders including during planning, preparation, implementation and delivery of its products and services. External service providers working on WCT Group's behalf are also expected to uphold this Policy where applicable.

STAKEHOLDER ENGAGEMENT TABLE

No	Stakeholder	Engagement Channels	Needs And Expectations	Relevant Material Matter
1	Customers (including property developers, home buyers, mall tenants and visitors, hotel guests and visitors, aircraft operators, airlines, business aviation and general aviation customers).	• Satisfaction surveys • Suggestion boxes • Social media • Newsletters • Campaigns • Exhibitions • Mobile and email communications • Company website • Customer service concierge counters • Virtual Property Gallery • 24 hours Operations Control Centre Polymerase Chain Reaction (PCR) Test Facility and Lab	• Compliance with product specifications and other deliverables • Quality products and services • Fair product pricing • Products that meet customer's needs e.g., GBI, environmentally sound products • Timely and responsive communication and actions - good customer service • Demonstration of compliance obligations • Conducive environment to conduct business • Public safety and security • Good housekeeping • Extending fast and rapid COVID-19 test facility for business aviation customers	• Product Quality & Safety • Ethical Business Conduct • Pollution • Personal Data Protection • Local Community Wellbeing • Diversity, Equality & Inclusion • Occupational Health & Safety

SUSTAINABILITY STATEMENT
cont'd

No	Stakeholder	Engagement Channels	Needs And Expectations	Relevant Material Matter
2	Employees	• Internal communications • Virtual/Face-to-face meetings • Performance reviews • Code of Conduct & Ethics • Interviews • Community development programmes • Conferences, seminars and workshops • Whistleblowing channel • Employee Handbook	• Workplace safety and health • Fair treatment of employees according to legal requirements and labour standards (mandatory and voluntary) • Competitive remuneration (benefits) • Training, guidance and support • Equal opportunity and career development • Diversity at the workplace, representation • Secure employment • Job satisfaction	• Employee Welfare • Learning & Growth • Occupational Health & Safety • Diversity, Equality & Inclusion • Respect for Human Rights • Economic Contribution to Stakeholders • Ethical Business Conduct
3	Regulators & Local Authorities e.g., Department of Safety and Health, Ministry of Health, Construction Industry Development Board, Department of Environment, Malaysian Highway Authority	• Virtual/Face-to-face meetings • Regular engagement for knowledge sharing • Media releases • Conferences • Surveys • Attending seminars and training sessions • Site visit • Machinery inspections (for plant and machinery operation approval purposes)	• Demonstration of compliance with respective authorities' requirements • Supporting government policies and objectives • Timely and responsive communication and actions • Information sharing	• Ethical Business Conduct • Employee Welfare • Local Community and Wellbeing • Occupational Health & Safety • Personal Data Protection • Pollution • Economic Contribution to Stakeholders • GHG Emissions & Climate Change
4	External Goods and Service Providers e.g., contractors, sub-contractors, vendors, suppliers, consultants	• Virtual/Face-to-face meetings • Annual supplier re-assessments • Performance surveys	• Clear contract specifications • Honouring contractual agreements e.g., prompt payment • Fair treatment of workers according to legal requirements and labour standards (mandatory and voluntary) • Fair price • Timely and responsive communication and actions • Continued business • Support for enhancing resource capacity	• Local Sourcing • Ethical Business Conduct • Economic Contribution to Stakeholders • Respect for Human Rights • Diversity, Equality & Inclusion
5	Investors, Analysts, & Fund Managers	• Quarterly briefings • Virtual/Face-to-face meetings • Conferences • Media releases and interviews • Annual reports and sustainability reports • Company website	• Continued profitability and growth • Product innovation to meet changing demands • WCT's good image and reputation • Compliance with ESG requirements for specific funds where applicable	• Economic Contribution to Stakeholders • Ethical Business Conduct • GHG Emissions & Climate Change • Respect for Human Rights

SUSTAINABILITY STATEMENT
cont'd

No	Stakeholder	Engagement Channels	Needs And Expectations	Relevant Material Matter
6	Local Communities e.g. resident associations, neighbouring communities	• Town-hall meetings • Community development programmes • Media releases • Social media	• Avoiding adverse impacts from operations to public safety, security and the environment • Avoiding quality of life deterioration • Participation in community programmes • Timely and responsive communication and actions • Potential job opportunities	• Local Community Wellbeing • Economic Contribution to Stakeholders • Pollution • Waste • Respect for Human Rights • GHG Emissions & Climate Change • Biodiversity Loss • Water
7	Financial Institutions e.g. lenders, insurers	• Virtual/Face-to-face meetings	• Managing risks to ensure financial soundness (physical and reputational risks) • Honouring borrowing terms and conditions • Timely and responsive communication and actions	• Economic Contribution to Stakeholders • Ethical Business Conduct • Product Safety & Quality • GHG Emissions & Climate Change • Respect for Human Rights
8	Industrial Affiliates e.g. Real Estate & Housing Developers' Association, Malaysia Shopping Malls Association, Malaysian Association of Hotel Owners	• Surveys • Conferences • Interviews • Virtual/Face-to-face meetings	• Demonstration of compliance obligations • Knowledge sharing • Adherence to affiliates' charter/code • Timely and responsive communication and actions • Active participation in affiliates' initiatives	• Specific to industrial affiliate
9	Media	• Community development programmes • Media releases • Advertising • Conferences	• Timely and accurate communication • Responsiveness to queries	• Ethical Business Conduct • Specific to communicated information
10	JV & Business Partners	• Virtual/Face-to-face meetings	• Honouring terms and conditions • Continued business opportunities	• Economic Contribution to Stakeholders • Ethical Business Conduct
11	NGOs	• Sponsorships • Complimentary event spaces • Food Bank	• Supporting NGOs' objectives • Participate in NGOs' programmes	• Specific to NGO

COVID-19 RELATED STAKEHOLDER ENGAGEMENT

With the continued requirement for COVID-19 Standard Operating Procedures ("SOP"), a significant portion of WCT's stakeholder engagement centred on regulatory engagement. The engagement was based on ensuring SOP compliance, ensuring business continuity and to protecting stakeholders from infection.

Community and customer engagement was also pivoted to focus on preventing infection and ensuring SOP compliance.

The use of digital communications as well as social media and other remote channels increased in FY2021 due to the pandemic. These comprised video conferencing, virtual meetings, phone calls, online messaging and others to ensure continued business operations while enabling SOP compliance and to reduce infection risk.

SUSTAINABILITY STATEMENT
cont'd

Among key regulatory bodies engaged in FY2021 were CIDB, MBAM, Ministry of Health (MOH), Kuala Lumpur City Hall (DBKL), DOSH, Immigration Department of Malaysia, Royal Malaysia Police (PDRM), Malaysian National Security Council (MKN), CAAM and MAHB, MAVCOM, National Disaster Management Agency (NADMA), Ministry of Tourism, Arts and Culture (MOTAC), Klang Municipal Council (MPK), Selangor State Health Department (JKNS) and MAH.

Engagement with various authorities on the opening of the PPV at Première Hotel

Meeting with MOTAC and Firefly on VTL

Meeting with PDRM on business aviation operations

Engagement with CIDB for the CAKNA food distribution programme

Other stakeholder engagements held in relation to COVID-19 were meetings with the MOH and its respective agencies / regulatory bodies, airport/aviation authorities, various local city hall and municipal councils as well as police departments.

MATERIAL MATTERS

WCT in FY2021 undertook a comprehensive materiality assessment exercise ("MAE") with the intent to reassess its prioritised list of material ESG matters. The MAE will enable the group to identify its most pertinent issues or concerns and manage these accordingly.

The decision to undertake a fresh exercise in FY2021 was due to the many changes taking place within the external operating landscape, COVID-19 included. The Board and Management sanctioned the MAE towards ensuring that the Group's identification and assessment of material matters, remained market and industry relevant in light of the various disruptions experienced during the financial year.

In terms of methodology and process, the MAE was conducted over two phases. The first phase to identify material matters based on WCT's significant environmental, economic and social impacts. The second phase involved stakeholder engagement to obtain their views on the material matters which were then assessed and analysed based on an internally developed weightage system.

SUSTAINABILITY STATEMENT
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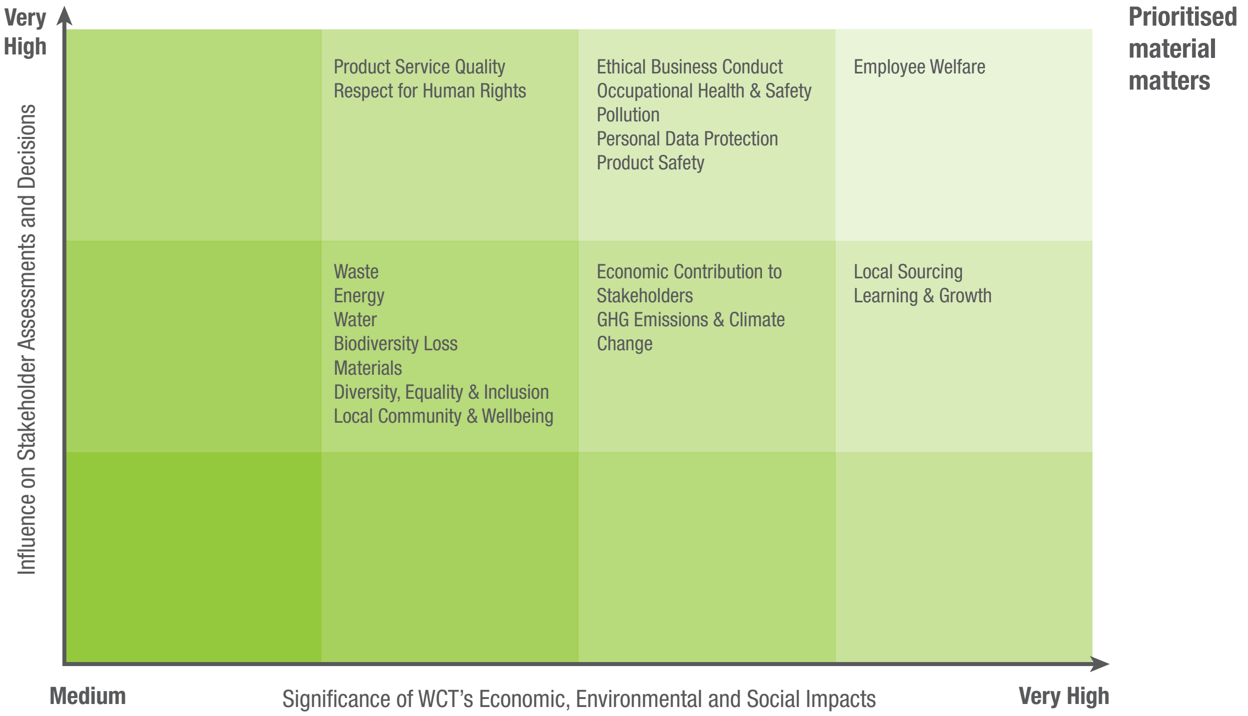
MATERIALITY MATRIX

The FY2021 MAE enabled an accurate reassessment of topics and culminated with the development of a new materiality matrix. Details on WCT's management approach to each material topic, the effectiveness of the management approach and results achieved are provided in the subsequent sections of SS2021.



WCT is cognisant that its employee welfare, as well as their safety and health, is of prime long-term importance to maintain business resilience during the COVID-19 pandemic that may continue into the next reporting year. In this vein, we also included significant COVID-19 disclosures in SS2021 to adequately reflect the pandemic scenario and its effects.

We hope to further enhance our materiality processes by garnering feedback from wider stakeholders to gain a more comprehensive understanding of our material matters as well as their relative priority to our operations across our value chain.

SUSTAINABILITY GOVERNANCE

SUSTAINABILITY GOVERNANCE STRUCTURE

In WCT, sustainability is driven by a robust Group-wide governance structure. This sustainability structure is integrated into the Group's overall corporate governance structure, thereby ensuring that the ESG agenda is given sufficient oversight by the Board and Management. This approach allows for material matters to be progressively integrated into strategic decision making as ESG concerns can now be given consideration at the highest levels of the organisation.

The goal is to have sustainability reside in its rightful place as a key corporate agenda that influences the Board and Senior Management's thinking and planning. This would include allocation of resources, prioritisation of focus areas towards more effective mitigation and management of risks.

SUSTAINABILITY STATEMENT
cont'd

The role of ESG within the business model is placed at the core of strategic discussion towards charting a sustainable path of continued value creation.

Overall oversight and responsibility for the sustainability agenda. Provides strategic support by ensuring alignment between business model and strategies with ESG matters, develops policies, provides oversight on key matters such as OHS, climate change, energy, waste and more.

Provides Board level oversight, setting broad goals and objectives, including alignment to UN SDGs, integration of ESG risks into business model and risk management frameworks.

Helmed by an Executive Director, develops sustainability strategies and oversees implementation and results achieved.

Comprising reps from Engineering and Construction, Property development and Property Investment and Management Divisions. Responsible for executing strategies and reporting on progress achieved as well as issues / challenges faced so correction actions can be made.

WCT has applied practices (Practices 4.1 and 4.2) and adopted Practice 4.5 of the updated Malaysian Code on Corporate Governance 2021 ("MCCG 2021"). The WCT Corporate Governance Report which provides information on how WCT has met these and other practices, is provided here: https://www.wct.com.my/about/governance_and_policies/?c=corporate_governance.

The sustainability governance structure comprises several levels, including the full Board of Directors, the Board Risk and Sustainability Committee, Group Sustainability Committee and cascades down to working teams and to the respective business units. In this way, swift executive decision making by the Board and Senior Management is achieved while also paving the way for effective development of tactical action plans and programmes.

In addition, feedback, data and information from the working teams can also be promptly channelled to the Board and Senior Management for review and if necessary, further action. The Board is kept updated on the progress and performance of attaining these goals.

While the full Board has ultimate responsibility for WCT's ESG performance, specifically, the Board Risk and Sustainability Committee ("BRSC") plays a leading role in championing the ESG agenda. The latter convenes on a quarterly basis and among its tasks includes reviewing ESG data to assess the Group's sustainability performance in relation to the achievement of KPIs and macro targets.

The Governance structure monitors the Group's sustainability performance as per targets set in its Sustainability Framework. The BRSC also has oversight on all material matters deemed as being high in materiality. These are mentioned under the Materiality Matters section.

LINKING BOARD PERFORMANCE WITH SUSTAINABILITY

Moving forward, the Board is looking into how its performance evaluation process can be enhanced to incorporate ESG criterias such as achievement of material sustainability-related key performance indicators (KPIs). The idea is presently being studied further in order to understand implications this will have on other policies including the Remuneration Policy.

SUSTAINABILITY STATEMENT
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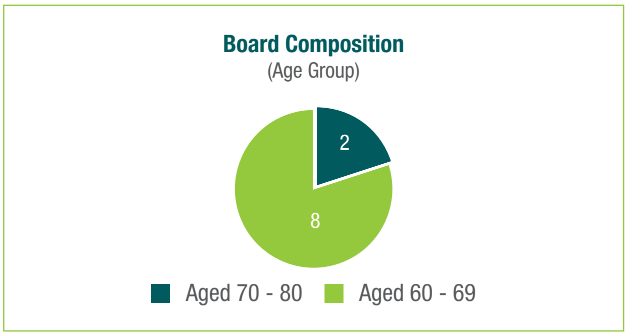
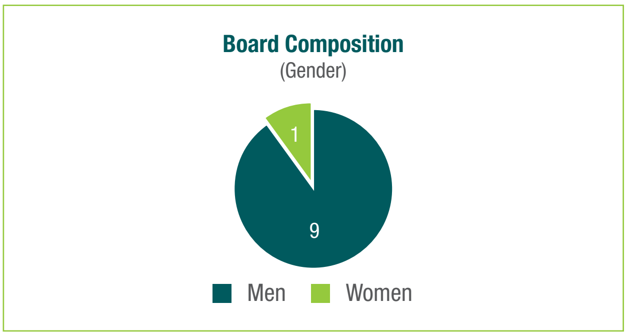
BOARD COMPOSITION

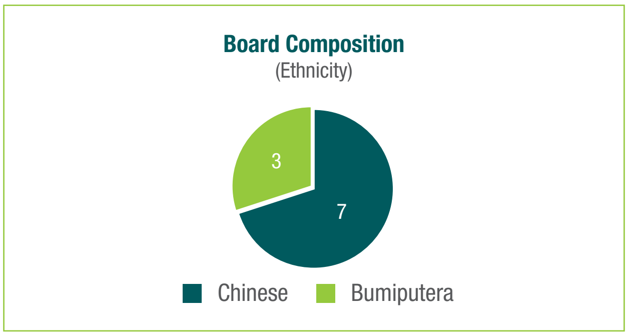
WCT seeks to ensure its Board comprises diverse individuals from diverse professional backgrounds, experiences and competencies. This mix of skills, talents and capabilities, enables the cultivation of richer perspectives and insights, which supports better decision making.

WCT supports the Malaysian government's aspiration as well as the MCCG 2021 to achieve at least 30% women directors on the Board of public listed companies.

Hence, going forward, the aforementioned 30% target will be given significant consideration in the selection of new appointments to the Board. As of FY2021, 10% of the Board comprises women directors. Following are further details of WCT's board composition for FY2021:







Further details on the Board's role in driving good corporate governance across WCT is in the Corporate Governance Overview Statement in this AR2021; or in the standalone Corporate Governance Report available at: https://www.wct.com.my/about/governance_and_policies/?c=corporate_governance.

In particular, disclosures on how WCT has applied the specific sustainability related practices of the MCCG 2021 (Practices 4.1-4.5) are provided within the Corporate Governance Overview Statement.

ETHICAL BUSINESS CONDUCT AND CORPORATE INTEGRITY

Since its inception, WCT has developed a formalised Code of Conduct and Ethics for employees as well as for company directors. The Code details rules and norms for corporate behaviour and for the manner in which representatives of WCT should conduct their professional engagements with stakeholders, especially vendors, suppliers, contractors, business partners and others.

The Code provides clarity on conflicts of interest, rules of engagement between employees and superiors on corrupt or unethical practices and more. In essence, the Code stipulates what constitutes as unacceptable behaviour or practices that no one in the Group should emulate.

The Code is made available to all employees on the Company Intranet portal and is published in English. The Group intends to translate the Code and employee handbook into other languages, going forward.

SUSTAINABILITY STATEMENT
cont'd

WCT CORPORATE POLICIES

The Code is supported by a comprehensive list of corporate governance policies that reinforce desired good corporate governance and promote accountability, transparency, integrity, anti-corruption, equality, diversity and professionalism in the workplace.

WCT Corporate Policies

For the Board and Management	For Our Employees	For Intermediaries
Code of Ethics for Company Directors Board and Senior Management Diversity Policy Auditors Assessment Policy Remuneration Policy	Code of Conduct and Ethics for Employees	Contractors, Sub-contractors and Suppliers Occupational Safety and Health and Environmental Assessment Criteria in the Engineering and Construction and Property Development ISO Policies

Anti-Bribery and Anti-Corruption Policy | Risk Management Policy | Whistleblowing Policy | Stakeholder Engagement Policy

Besides employees, all relevant external stakeholders i.e., suppliers, and contractors, must abide by these policies. Through such compliance, corporate governance is strengthened throughout the Group's value chain. More information on our policies can be found at our official company website at https://www.wct.com.my/about/governance_and_policies/?c=corporate_governance.

WCT EMPLOYEE HANDBOOK

Handbooks are distributed to all staff to further spread awareness of WCT's corporate governance standards and its policies. The handbook is available for download on the Company's Intranet portal.

WCT's overall approach to applying the various corporate governance best practices under MCCG 2021 is provided in the Corporate Governance Overview Statement.

STRONG ANTI-BRIBERY AND ANTI-CORRUPTION STANCE

WCT observes a strict zero-tolerance approach to all forms of corruption, including bribery and other malpractices. The Group implemented an organisation wide Anti-Bribery and Anti-Corruption ("ABAC") Policy in FY2020 in accordance to Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018.

The Board of Directors maintains oversight of WCT's ABAC Policy and will be reviewed every three years to ensure effectiveness with any changes in the operating landscape. The full ABAC Policy can be viewed at our official website at https://www.wct.com.my/about/governance_and_policies/?c=anti_bribery_policy.

Our ABAC Policy defines what constitutes a corrupt act and strictly prohibits them to be carried out in any manner. The Policy also stipulates what punitive actions will be taken on employees or other stakeholders if engaging in corrupt acts.

The ABAC Policy denotes commercial organisations are liable if found engaging in bribery or any other acts of corruption, with liability extending to individuals and groups within the Group's purview such as the directors, employees and service providers ((including consultants, advisors, suppliers and agents).

The Policy covers commissions and incentives, unofficial payments, gifts and entertainment, political contributions and donations, gratifications, charitable support as well as other stipulated behaviours constituting bribery and corruption.

However, the Policy also stipulates when the aforementioned is permissible, on extremely rare occasions. These would be exceptions such as fruits or perishable items of non-monetary value given to any single individual due to a cultural festive occasion.

SUSTAINABILITY STATEMENT
cont'd

The ABAC Policy continues to be cascaded across our larger value chain which includes our suppliers, vendors and partners in the supply chain. In their dealings with suppliers, all business divisions, are to ensure that suppliers provide affirmation of their willingness to comply with WCT's ABAC Policy.

Acknowledgement of the policy and expressed willingness to adhere to the policy is necessary for any supplier to bid for contracts.

WCT has continued to strengthen Group-wide internal controls and procedures to minimise and mitigate corruption risks. Measures undertaken include the establishment of a comprehensive anti-bribery compliance management system that aligns with our ABAC Policy.

ANTI-CORRUPTION TRAINING

All Board directors have received some level of anti-corruption briefings and training as part of the overall training schedule established for company directors. Relevant staff have also been exposed to various levels of anti-corruption training.

In FY2020, 878 staff from across the Group attended anti-corruption related trainings or briefings. In addition, all new staff are provided a detailed briefing on the Group's ABAC Policy, the Code of Conduct and Ethics, all Group Policies and other matters of corporate governance.

The Group aims to increase the level of training and to eventually cascade anti-corruption training to all employees and subsequently to all suppliers going forward.

Anti-bribery and anti-corruption materials will be continued to be disseminated within the workplace through internal communication channels. These include bulletin boards, WCT's website, e-mails, Intranet portal, teleconferencing technology, mobile notifications and verbal reminders from peers and respective Heads of Department.

IDENTIFICATION OF OPERATIONS WITH POSSIBLE HIGHER RISK FOR CORRUPTION

From April-May 2021, a comprehensive bribery/corruption risk assessment was conducted Group-wide. The assessment identified 131 giving and 136 receiving bribery risks scenarios.

Among the additional prevention measures undertaken to increase stronger vigilance include:

- Conducting internal corruption risk assessments for respective departments and their personnel, including management.
- Provision of additional anti-corruption training for all personnel, including Heads of Department.
- To incorporate ABAC clauses into all contracts.

MANDATORY TENDER PROCESS FOR AWARDING OF CONTRACTS

Generally, all WCT contract awards of substantial value are required to have gone through a tender process, with multiple bids received. Exceptions are only permitted for specific situations where the job requires specialist, critical trades, or works that were granted approval by Management for direct negotiation.

In this regard, WCT is guided by best practices provided for in their management system procedures.

Any individual found to be in violation of our ABAC Policy or have been involved in other acts of bribery and corruption will subjected to stringent disciplinary action, including employment suspension or termination.

Legal proceedings may be instituted against offenders that may include reporting to relevant authorities such as PDRM, the Malaysian Anti-Corruption Commission MACC and others.

SUSTAINABILITY STATEMENT
cont'd

WHISTLEBLOWING MECHANISM AND REPORTED CORRUPTION CASES

WCT has put in place a designated whistleblowing procedure for whistleblowers (employees and stakeholders) to report any misconduct, wrongdoings, corruption, fraud and/ or abuse of power.

Anyone wishing to make a whistleblowing report is urged to submit a report via an online form available at the Group's website, or via e-mail to whistleblower@wct.my, or mail to the Chairman of the Audit Committee at the following address:

Audit Committee Chairman
WCT Holdings Berhad
B-30-01, The Ascent, Paradigm
No. 1 Jalan SS7/26A, Kelana Jaya
47301 Petaling Jaya Selangor.
Tel : 03-78066688 / Fax : 03-78066633

The Chairman of the Audit Committee would then process the report through the relevant channels for further deliberation and investigation.

The whistleblower's identity will remain anonymous throughout the whistleblowing report-making process as well as during and after subsequent investigations have been done, unless otherwise required by law or for purposes of proceeding against or by the Group.

The whistleblower is also granted immunity from any form of intimidation, punitive action or reprisal regardless of whether the allegation is proven to be true or unfounded, as long as the report has been made in good faith.

If the whistleblowing report is proven to be accurate once investigations have concluded, disciplinary proceedings will then be opened against the alleged accused, subjected to WCT's procedures for disciplinary action.

For FY2021, zero cases of corruption were reported.

REGULATORY COMPLIANCE

WCT stringently adheres to its established policies, protocols, guidelines and industry standards, and in FY2021 it has reported that it has not been censured or fined by the authorities for environmental and social non-compliance. It has also not encountered any regulatory action related to corporate ethics and integrity, corporate governance and anti-corruption matters.

POLITICAL POSITION AND POLITICAL CONTRIBUTIONS

WCT is an apolitical organisation and hence, has not made any contributions to any political parties in FY2021. The Group does not participate in any political activities nor does it advocate or subscribe to any political position.

As provided for in the laws of the country and WCT's commitment to freedom of association, staff, value chain partners and other stakeholders have the right to join or support political parties of their choosing or any civil society or NGO, so long that these entities are recognised by law to be legal entities. The Group supports the rights of citizens to vote in accordance to their conscience.

However, in supporting charitable causes or initiatives and programmes that benefit the community, WCT may participate in government-led or sponsored events. For example, WCT has actively contributed and supported the government of the day's efforts in combatting COVID-19 and preventing the spread of infections.

SUSTAINABILITY STATEMENT
cont'd

MANAGING AND RESPONDING TO THE COVID-19 PANDEMIC

The onset of the COVID-19 pandemic has resulted in substantial disruptions to regular economic and social activities. WCT proactively adapted to these difficult operational circumstances by modifying its operating conditions to adjust to the post-pandemic new normal.

The WCT COVID-19 Task Force ("Task Force"), established in March 2020, continued to play a leading role across FY2021 – driving the Group's COVID-19 related strategies and action plans. This included ensuring strict compliance with government mandated SOP and where necessary, developing and implementing additional measures to ensure optimum business continuity and to reduce the risks of infections.

The Task Force is headed by the Deputy Managing Director and supported by the Senior Management of all business divisions and Group Human Resources and Administration.

The Task Force is supported by COVID-19 response teams established at all business operations and divisions.

Deputy Managing Director

Senior Management of all business divisions and Group Human Resources and Administration

WCT COVID-19 TASKFORCE

COVID-19 ACTION PLANS AND PROGRAMMES

The establishment of a structured chain of command via the COVID-19 Taskforce enabled WCT to respond strategically in addressing the pandemic scenario. Beyond providing ad-hoc assistance or simply adopting government and industry stipulated SOP, WCT was able to develop a systematic plan to address risks to business operations as well as deliver positive impacts to the community.

The Group was able to pool its resources and capabilities to deliver maximum effect in supporting the government's efforts, particularly in ramping up vaccination rates. Meeting the vaccination rate was essential for reopening of the economy and WCT looked to support government efforts to enable more people to be vaccinated.

SUPPORTING THE GOVERNMENT'S VACCINATION EFFORT

WCT's Première Hotel in Klang operated as a 'Pusat Pemberian Vaksin' ("PPV") under the National Covid-19 Immunisation Programme from July to August 2021.

A total of 29,632 vaccine doses were administered throughout the period. Close to 130 personnel comprising hotel employees, public volunteers & medical officers were deployed to facilitate the vaccination process. Première Hotel also provided storage facilities for the vaccines.

Similarly, in December 2021, Paradigm Mall, Petaling Jaya was also designated as a PPV for booster shots. This was achieved by partnering with Pusat Perubatan Naluri to establish a PPV Centre at Level 2 of the mall. As of April 2022, over 60,000 people were vaccinated including children.

Separately, SkyPark Terminal supported the PPV at Selcare Clinic with complimentary use of the common area and provided crowd control assistance.

PPVs at Première Hotel in Klang and Paradigm Mall, Petaling Jaya

SUSTAINABILITY STATEMENT
cont'd

SAFEGUARDING EMPLOYEES AND THE SUPPLY CHAIN

Beyond supporting public health, WCT also collaborated with the Ministry of Federal Territories to vaccinate 2,000 WCT employees and their family members.

Going further, the programme was also made available to WCT's associates and sub-contractors with 1,000 individuals coming forward to be vaccinated. This is part of keeping the supply chain also vaccinated, particularly in curbing the spread within construction sites, which was quite rampant in 2021.

In 2021, WCT vaccinated 2,000 employees and their family members

UV-C downlights in use at meeting rooms

WCT implemented enhanced preventive measures across all offices and premises by installing air purifiers, UV-C downlights and UV-C air sanitising bars. Total expenditure for these installations were approximately RM600,000. In addition, staff were provided complimentary face masks, hand sanitisers and self-test kits. The construction sites and labour quarters were sanitised on a regular basis as part of the effort to reduce infections.

ECONOMIC CONTRIBUTION TO STAKEHOLDERS

ECONOMIC PERFORMANCE

WCT, in the course of its operations, has successfully generated direct and indirect economic values, both for the organisation and for its stakeholders.

The ability to create and sustain economic or financial values is fundamental. These are prerequisites for sustainable business operations and the continued realisation of the vision and mission and the very existence of the organisation.

Importantly, strategic plans to drive the sustainability agenda often go in tandem with strong fiscal positions and overall financial health of the organisation. In essence, prioritisation of ESG and its continued progress and development hinges on robust and improving direct economic performance.

In FY2021, following is a snapshot of WCT's economic performance:

INDICATOR	FY2019	FY2020	FY2021
Group revenue (RM'000)	1,835,615	1,704,580	1,699,668
Group profit before tax (RM'000)	11,451	(144,880)	277,875
Group (Loss)/profit after tax and minority interests (RM'000)	(27,321)	(213,573)	97,245
Shareholder funds (RM'000)	3,142,368	2,904,839	2,989,756
Total assets (RM'000)	8,820,178	8,600,153	8,228,970
Cash and bank balances (RM'000)	646,444	526,495	283,691
(Loss)/Earnings per share (sen)	(1.95)	(15.24)	6.90
Market capitalisation (RM'000)	1,226,670	743,701	722,790
Dividends (sen)	*	*	0.5

* *Share dividend by way of distribution of treasury shares on the basis of 1 treasury share for every 100 ordinary shares held in the Company*

Specific details of the Group's financial performance and direct economic values created are provided in the Management Discussion and Analysis section of this annual report.

FINANCIAL PERFORMANCE AND ENVIRONMENTAL IMPACTS

In providing additional context to its sustainability performance, WCT has provided intensity measurements / data for several environmental indicators. These include electricity, water and emissions.

Intensity data provides a truer reflection on the Group's environmental footprint and the effectiveness of the Group's implemented measures in reducing said footprint.

Intensity data mitigates (to a certain extent) any distortions in environmental performance caused by industry downturns or existential macro circumstance i.e., the COVID-19 pandemic. Such events will likely cause a decline in business operations leading to an acute drop in energy, water and resource consumption and consequently, GHG emissions.

However, such declines are not driven by operational changes and business efficiencies, and is largely unsustainable once normal business activity resumes.

By providing intensity measurements as measured against total square feet ("sqft") of respective business division performance, a more accurate depiction of the Group's environmental performance is provided.

Intensity ratios, depict how the stronger focus on ESG by WCT's Board and leadership as well as the continued effectiveness of strategies and action plans have enabled the Group to sustain business performance while also managing environmental impacts.

For FY2021, WCT has provided intensity measurements which are measurements of electricity and water consumption as well as emissions per sqft. Details of these are provided in the respective subsections of the Environmental Performance segment of this statement.

ECONOMIC VALUE CREATED AND DISTRIBUTED FOR STAKEHOLDERS

Through its business model, WCT creates and distributes a wide range of economic value to its stakeholders. The business model creates jobs and entrepreneurship opportunities, it facilitates skills and knowledge transfer, it enables the development of local supply chains and provides other socio-economic contributions. Beneficiaries include shareholders, local communities, financiers and investors, government and others.

SUSTAINABILITY STATEMENT
cont'd

ECONOMIC VALUE CREATED FOR STAKEHOLDERS

INDICATOR	FY2019 RM ('000)	FY2020 RM ('000)	FY2021 RM ('000)
Payments to Directors, Employees and Workers (Salaries, Wages and Emoluments)	181,941	152,506	149,329
Changes in Payables	210,161	34,011	341,983
Government (Income tax)	63,505	26,629	42,800
Returns to Shareholders (dividends)	11,793	4,955	7,086
Repayment to Financiers	1,064,087	639,884	552,376
Monies Distributed for Community Development (CSR, infrastructure development and societal contributions, etc.)	1,838	5,369	2,823

SUPPORTING LOCAL PROCUREMENT AND LOCAL SUPPLY CHAINS

WCT is committed to using local procurement and in doing so, developing local supply chains, as part of its value creation strategy, and also in enabling optimum efficiency and productivity. Local is defined as in local as where we operate.

The scale of business activity created through local procurement stimulates business activity within the local vicinity, which benefits the surrounding communities in which WCT operates in.

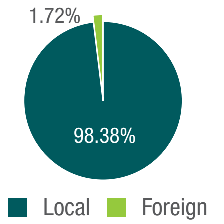
Sourcing for goods, resources and services from local suppliers reduces environmental impact as there is typically, a shorter transportation cycle and less resources such as fuel and electricity is consumed.

WCT's management approach to procurement (centred on a preference for local suppliers) is being further affirmed through the development of a Group-wide Procurement Policy. The Policy is expected to be finalised and implemented by 2023.

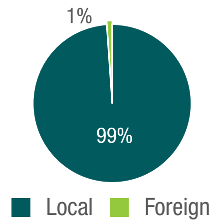
In essence, said Policy will revolve around the following approach: unless goods or services cannot be procured locally or at the desired level of quality or expertise, all companies within the Group must use local procurement.

Thus far, almost 100% of WCT's requirements are sourced locally.

Supplier Composition: Local Vs Foreign
(%)



FY2021 Procurement Spend: Local Vs Foreign
(%)



Note:
1. *Engineering and Construction Division purchases encompass those that are purchased by our procurement department. It does not include purchases by subcontractors.*
2. *Property Development Division's purchases come under subcontractors.*

SUSTAINABILITY STATEMENT
cont'd

SUPPORTING LOCAL COMMUNITY INFRASTRUCTURE AND SERVICES

WCT continues to support a wide range of community services and infrastructure. This includes developing public amenities at its own cost, public amenities. The Group leverages its inherent construction expertise to develop much-needed amenities and infrastructure to be used at no cost by the public.

These include suraus, underpasses and elevated flyovers to improve traffic flow and various other projects.

WCT together with other contractors jointly undertook the construction of a new RM700,000 Al-Nur Surau with WCT's contribution being RM250,000. The Surau can cater to 300 worshippers and serves the local community.

At a cost of RM2.05 million, WCT undertook the beautification and upgrading of an existing flyover, as well as construction of a new U-turn ramp connecting Jalan Skudai to Paradigm Mall, Johor Bahru.

This infrastructure provides easy access to the local community and eases traffic congestion in the area.

WCT constructed a 48m underpass access road connecting Jalan SS7/26A and Jalan Bahagia in Petaling Jaya at a total investment of RM11.5 million. This is a toll-free road provided to ease traffic congestion for the benefit of the local community. It is a part of a larger road improvement plan with a total cost of RM31.5 million involving several other underpasses and upgrades, all constructed by WCT.

At Paradigm Mall, Petaling Jaya, WCT provides a complimentary Reading Room for the local community.

The Reading room serves as a community library with over 800 books available from various genres.

The establishment of the room is to cultivate a reading habit, especially among children and to provide a comfortable and safe location for community members to read for free. All costs such as utility charges, cleaning and maintenance are borne by Paradigm Mall.

SUSTAINABILITY STATEMENT
cont'd

PRODUCT SAFETY & QUALITY

All WCT business divisions prioritise product and service quality, which includes ensuring that all products and services are fit for public consumption. Customer safety is ensured through conformance to ISO quality standards as well as regulatory compliance.

The Property Development division has implemented a defect rectification process to ensure a stringent quality control process during the liability period prior to delivery of vacant possession of properties to owners. The business aviation operations adhere to MAVCOM QoS standard for airports. All relevant operations adhere to their respective industry's benchmark for quality products and services as well as customer satisfaction systems.

Across all business divisions, WCT continues to achieve excellent scores for product quality and customer satisfaction. All business divisions continue to engage customers and other relevant stakeholders to gain their feedback which provide information that fuels constant refinement of products and services.

In FY2021, the Group has seen zero incidents of non-compliance with regard to serious issues of product / service quality and safety that have resulted in a regulatory warning, fine or penalty. This includes fines or censures for misleading advertising, promotions or marketing information.

ENVIRONMENTAL PERFORMANCE

Managing and reducing environmental impacts is a key aspect of WCT's approach to sustainability. The Group remains cognisant of how its business operations in particular, its engineering and construction, property development, property investment and management and airport operations impact the environment.

At its most preliminary level, WCT's approach in managing environmental impact is based on good operating practices and adherence to relevant international and local standards. These include ISO standards as well as standards for energy, water, waste and resource management set by regulatory authorities such as the Department of Environment (DOE), the CAAM or by industry bodies. The specific standards for each are provided in the relevant sections of these reports.

However, WCT aims to go beyond meeting regulatory compliance. The focus is to leverage on sustainability to create and sustain both financial and non-financial or stakeholder values.

ESG is viewed as a business and strategic enabler that addresses climate change related risks as well as risks associated with the supply chain and labour rights. ESG also promotes enhanced productivity, cost savings and certainly, reduced carbon footprint as well as waste generation and energy and water consumption.

A reflection of how WCT has made ESG a significant aspect of its strategic thinking is provided for in the Group's adoption of the UN SDGs and the development of corporate KPIs, goals and targets towards contributing to the selected UN SDGs.

With WCT Holdings Berhad setting the tone, there has been a continued and increasing push to encourage all subsidiary companies to undertake a review of their operations towards identifying and leveraging opportunities to become more resource and operationally efficient.

With the identification of material matters and significant environmental impacts for each business division, specific action plans have been developed and implemented to monitor, and to drive improvements in performance.

CLIMATE CHANGE AND EMISSIONS

WCT's principal business operations, i.e., engineering and construction, property development as well as property investment and management activities are comparatively large consumers of fossil fuels for energy. This includes a wide range of hydrocarbon fuels such as diesel and petrol. Diesel and petrol are used to power machinery on construction sites, generators and as fuel for automotive transportation.

Electricity is mostly sourced for the national grid and used for almost all office sites, malls and hotels and for some construction sites. Given that a large part of the grid in Peninsular Malaysia is supplied by fossil fired coal plants, consumption of electricity (unless from renewable energy sources such as solar and hydro) indirectly contributes to GHG emissions, particularly carbon emissions.

SUSTAINABILITY STATEMENT
cont'd

Climate change can significantly impact the Group's business operations. Following is a snapshot of how climate change and its related effects can / will affect WCT's business operations.

CLIMATE CHANGE: RISKS AND OPPORTUNITIES

ENGINEERING AND CONSTRUCTION

- ⊕ Technology, especially digitalisation enables new design solutions to emerge the fore.
- ⊕ Greater buy-in from project owners to adopt more environmentally friendly measures.
- ⊕ Increased financial support for green building development.
- ⊕ Support for greater R & D by all stakeholders, including financiers.
- ⊖ Physical risks such as extreme weather may affect instructure projects such as roads, rail lines and others. Design must now take into account hotter and harsher physical conditions, which may require additional costs.
- ⊖ Greater requirement to incorporate climate change scenario planning in the lifecycle analysis of projects.

PROPERTY DEVELOPMENT

- ⊕ Opportunity to promote environmental awareness across the value chain and to customers towards encouraging concerted action for greater cumulative impact.
- ⊕ Increased potential to seek government and regulatory support for incentives and other benefits for more environmentally friendly practices.
- ⊕ Greater acceptance for use of environmentally friendly design, materials and features within property development.
- ⊕ New business opportunities, i.e. waste management and water recycling and others.
- ⊖ Impacts on availability of suitable land for development due to changing weather patterns, and lack of water sources.
- ⊖ Increased temperatures may necessitate changes to planning and design, resulting in higher development costs.
- ⊖ Increased operational costs due to increased expenditure required to address climate change impacts.

PROPERTY INVESTMENT AND MANAGEMENT (MALLS AND HOTELS)

- ⊕ Increased realisation among customers / guests to adopt sustainable practices.
- ⊕ Opportunities to promote sustainability awareness among customers / guests.
- ⊕ Increased support to adopt solar energy to power assets.
- ⊖ Increasing temperatures necessitate among energy spent on cooling interiors of buildings.
- ⊖ Frequent disruptions to water supply may impact malls and hotels and affect guests' experience.
- ⊖ Additional costs for water harvesting features.
- ⊖ Greater exposure to physical risks such as flash floods, which can lead to operational shutdown or total loss of assets.

BUSINESS AVIATION

- ⊕ Increased opportunity to seek government support to introduce new measures or to invest in the redevelopment of Subang airport.
- ⊕ Promulgation of sustainability practices across the business and general aviation sectors.
- ⊖ Torrential rain may disrupt flight operations and flash floods may render airports inoperable.
- ⊖ Inclement weather can disrupt the hangar business as it could cause airlines to relocate aircraft to other cities or countries.
- ⊖ Climate change related disasters can damage aircraft and assets, including customer's assets.
- ⊖ Additional cost incurred for flood mitigation and adaptation.
- ⊖ Increased insurance premiums.

However, climate change also offers new opportunities for the Group by accelerating the ongoing transition to a low carbon economy. Growing environmental consciousness also leads to greater receptiveness among consumers and the supply chain for the introduction of more environmentally friendly features into business processes and finished products. These include acceptance of using more sustainable or environmentally friendly building materials, energy efficient lighting, water saving faucets and more. This in turn, leads to new opportunities and business growth.

WCT is also looking at progressively cascading the same focus on climate change to its value chain of suppliers, contractors and vendors. The goal of this is to deliver positive impacts outside of the immediate scope and boundary of the Group's operations.

SUSTAINABILITY STATEMENT
cont'd

CLIMATE CHANGE SCENARIO PLANNING

Several of WCT's business divisions have developed mitigation plans in relation to climate change impacts, i.e., impacts associated with changes in temperatures as well as adverse weather conditions.

Climate change scenario planning has been incorporated by the various divisions into their Business Continuity Plans and Risk Registers, with mitigation plans and SOP developed accordingly.

CHAMPIONING GREEN TRANSPORT MOBILITY

WCT has looked to take on projects that deliver stronger sustainability impacts to the environment and society. For example, the construction of urban public transportation such as the Mass Rapid Transit 2 ("MRT2") and the Light Rapid Transit ("LRT3") projects will ease orbital movement in Klang Valley by catering to areas that is presently poorly serviced by public transport. MRT2 is projected to carry 529,000 passengers in 2022 and could potentially carry up to 1.2 million passengers by 2052. It will alleviate traffic jams, reducing idling cars and potentially, reduce carbon emission.

View of the Taman Naga Emas MRT2 station.
WCT successfully constructed the MRT2 V204 & S204 alignment from Bandar Malaysia South Portal to Kampung Muhibbah

Likewise, the LRT3 project is expected to see 18,630 passengers per hour per direction. This will also remove cars from the road and thus reduce carbon emissions.

LRT3 project is expected to connect two million people from Bandar Utama to Johan Setia Klang. Notably, it will benefit commuters in Klang as the location presently lacks adequate public transportation services.

Both projects have also been designed to optimise natural lighting to reduce energy consumption and energy costs as well as emissions. It also adopts various other environmentally friendly aspects or features.

SUSTAINABILITY STATEMENT
cont'd

ADDRESSING ENVIRONMENTAL IMPACTS USING CIRCULAR ECONOMY PRINCIPLES

WCT has and continues to adopt circular economy principles for the built environment towards managing environmental impacts. Motivation to transition to more sustainable construction methods is, as mentioned prior necessitated by the resource intensive nature of the building and construction industry.

In adopting circular economy principles WCT moves closer to sustainable sourcing of raw materials and energy sources, thus promoting resource efficiency and minimising waste throughout the product lifecycle.

Through this approach, all stakeholders across the value chain can be included in the sustainability journey. Clients, architects, town planners, raw material suppliers, equipment manufacturers, engineers and building contractors can all be brought on board to deliver more significant improvements in environmental and social performance.

ADDRESSING ENVIRONMENTAL IMPACTS THROUGH DIGITAL SOLUTIONS

WCT's increased use of Building Information Modelling (BIM) and Virtual Design and Construction (VDC) to allow for a more sustainable approach to building a project during design and construction stage. It is said that design is a key aspect of determining the environmental impacts of a building or project throughout its lifecycle.

The strategic usefulness of digital solutions has enabled the on-time and on-cost delivery of mega-infrastructure projects, such as the MRT V204 & S204, TRX Retail, TRX Hotel and Office and Merdeka Mall.

BIM and VDC allow for real time collaboration between multiple stakeholders and departments. For instance, client's design and project management team, nominated sub-contractors' teams, internal technical and planning department as well as the construction operation department.

Data and information can be shared seamlessly and changes to design efficiently effected. Feedback and inputs from multiple parties enable better planning on resources and supports overall improved project management. BIM's advantages are a massive asset when undertaking mega construction work.

In addition, BIM enables the development of a one stop model where all data can be stored in a single repository. This includes built and asset management data. This contributes to less paper consumption and easy retrieval and sharing of data among multiple users.

COMMITMENT TO GREEN BUILDINGS

WCT's pursuit of designing and constructing more green buildings is a natural extension of its sustainable design and circular economy approach.To this end, WCT continues to upgrade its capabilities and expertise towards meeting the growing demand for green buildings in Malaysia, which is being driven by the increasingly receptive environment from stakeholders for green buildings.

SUSTAINABILITY STATEMENT
cont'd

Following is the full list of green buildings and ratings currently being constructed by WCT:

PROJECT	STATUS	CERTIFICATION	AWARD
TRX Retail	Ongoing	• LEED • GBI	Gold Gold
TRX Hotel and Office	Ongoing	• LEED	Gold
Pavilion Damansara Heights	Ongoing	• Green Mark (Office Tower) • Green Mark (Podium and Residential)	Gold Certified
Merdeka Mall	Ongoing	• LEED 2009 for Core and Shell • GBI • GreenRE	Gold Silver Gold

In addition, WCT's Property Development Division has set the following targets or aspirations:

- Introduce at least five energy reduction design elements of each project by incorporating this in the design brief by 2023
- Introduce at least two elements of water conservation practice for each project by incorporating this in the design brief by 2023.
- Introduce good design practices i.e., include more design focus on pedestrianising integrated developments and better linkages within integrated developments by 2023.

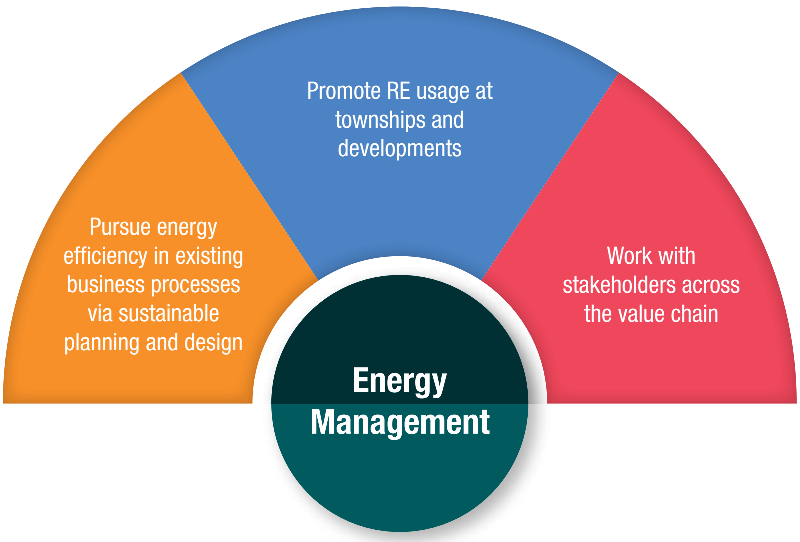
ENERGY CONSUMPTION

An intrinsic aspect of managing environmental impacts is to address energy consumption, particularly if the business model relies on fossil fuels (or electricity produced from fossil fuels). Consumption of fossil fuels emit carbon emissions which is a major contributor to climate change. The Group's reliance on fossil fuels can also contribute to depletion of this non-renewable resource.

The Board and Management remain cognisant of the Group's energy consumption, with its malls, hotels and construction operations being the largest consumers of direct and indirect energy sources.

With this realisation, is the growing commitment to adopt new measures to reduce energy consumption and manage our carbon footprint. Beyond electricity sourced from the grid, WCT consumes diesel for its construction machinery and petrol for its fleet of vehicles. It is also exploring the feasibility of renewable energy ("RE") alternatives for its operations.

The collective approach is evident throughout the Engineering and Construction and Property Development Divisions and in the operations of WCT's retail malls and hotels.



SUSTAINABILITY STATEMENT
cont'd

ENERGY SAVING MEASURES UNDERTAKEN BY BUSINESS DIVISIONS:

Engineering and Construction

1. Solar tower light to replace diesel engine tower light at project sites.
2. Spot light used at WCT Machinery workshop changed to LED and timer was installed.
3. Use energy efficient devices and appliances such as replacing fluorescent lights with LED lights which are more durable.

Property Development

- Installation of LED lightings for all developments
- Incorporating design features which promotes the use of energy saving system e.g. inverter air conditioner, water pump and pool system
- Provide electric vehicles charging stations at developments

Property Investment and Management

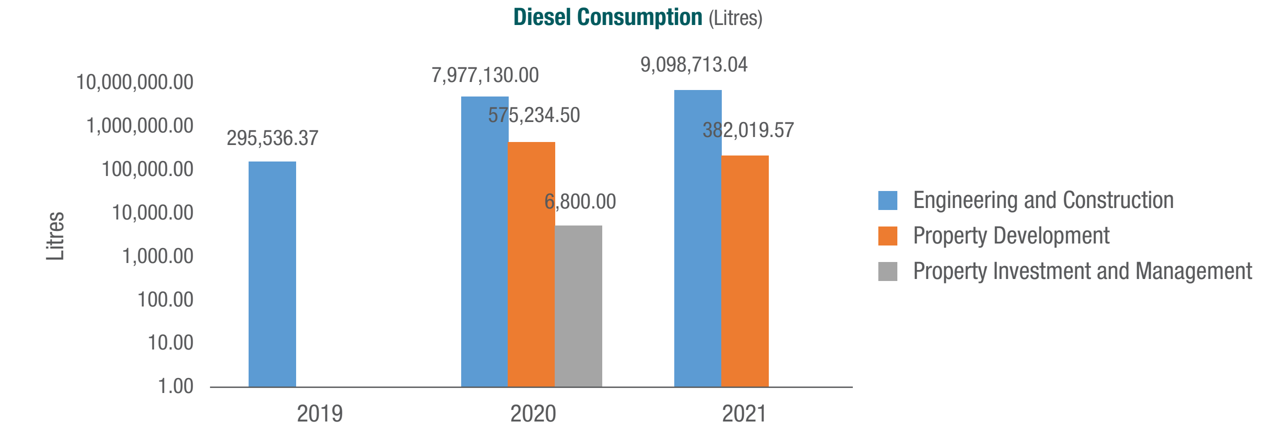
- Malls:
  - Replaced and installed conventional lighting to LED type for energy savings. Replacement was conducted 5 years ago as an energy saving exercise
  - Installed inverters to reduce start-up energy load for each unit. Installation of inverters and filtration was executed 5 years ago for energy savings.
  - Installed filtration system at chillers for equipment efficiency as chillers are the highest electricity consumers in mall operations.
  - Staggered start-up and shutdown daily operation to reduce energy consumption. Building Management System monitors energy data and switches on / off according to schedule to reduce wastage.
  - Appointed Energy Manager to ensure equipment are well maintained and operating efficiently to prevent wastage or disruption for daily operation and report submission to Suruhanjaya Tenaga for compliance. Routine monitoring of electrical equipment's efficiency.
  - Switched off all unused AHU and FCU.
  - At gateway@klia2, utilisation of chilled water for the air-conditioning cooling system

- Hotels:
  - Usage of LED lightings. At The Ascent, appointment of Energy Manager to increase monthly energy efficiency. WCT Malls is undergoing a feasibility study with the intent to improve the energy efficiency of its Air Conditioning and Mechanical Ventilation System ("ACMV").

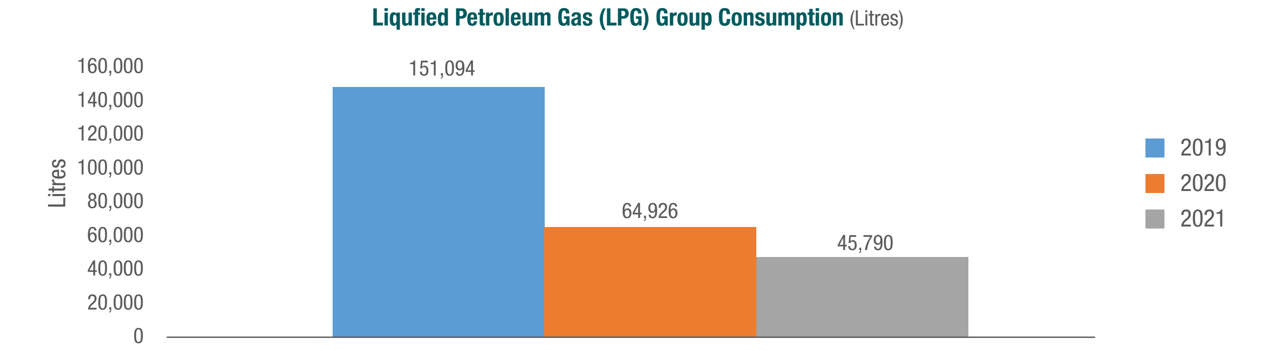
- Business Aviation:
  - Usage of LED lightings.

SUSTAINABILITY STATEMENT
cont'd

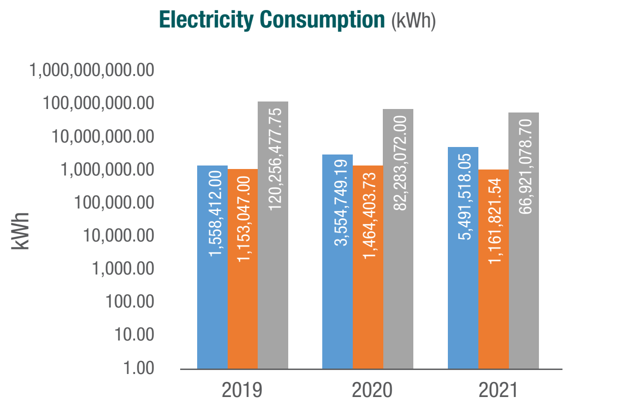
ENERGY PERFORMANCE DATA

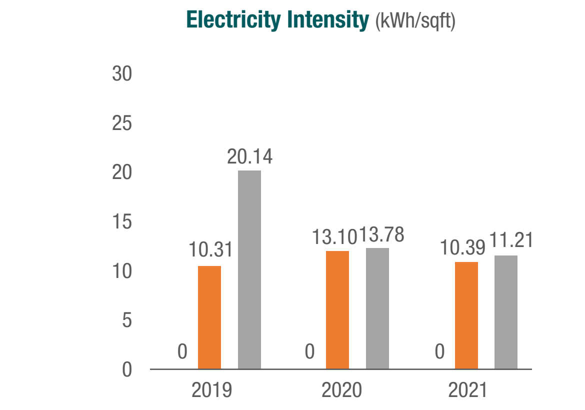


Note: Diesel consumption for 2019 is limited to six sites only under Engineering and Construction Division. Property Investment and Management Division only made significant purchases for diesel in 2020 and none in 2021.



Note: LPG is consumed by the Property Investment and Management Division only for its hotel operations.





Engineering and Construction Property Development Property Investment and Management

Note: Electricity intensity is measured based on total electricity consumed by the respective business division against total sqft of directly managed operations of each division. The Property Development Division's intensity ratios are only calculated against office consumption as project sites area cannot be measured accurately. Likewise, intensity data for engineering and construction is unavailable due to the difficulty in deriving accurate measurements for all construction sites. The Group intends to address this for a more precise perspective in future reports.

SUSTAINABILITY STATEMENT
cont'd

SMART METER USAGE WITHIN PROPERTY PORTFOLIO

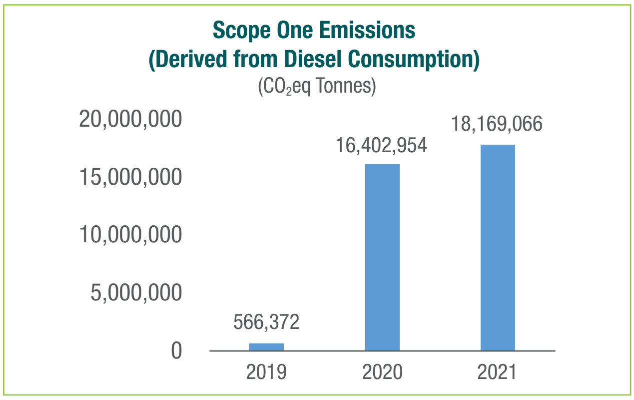
All projects under WCT's Property Development Division have been fitted with digital smart meters to monitor electricity usage in adherence to Tenaga Nasional Berhad's (TNB) requirements. Smart meters have also been installed at all offices.

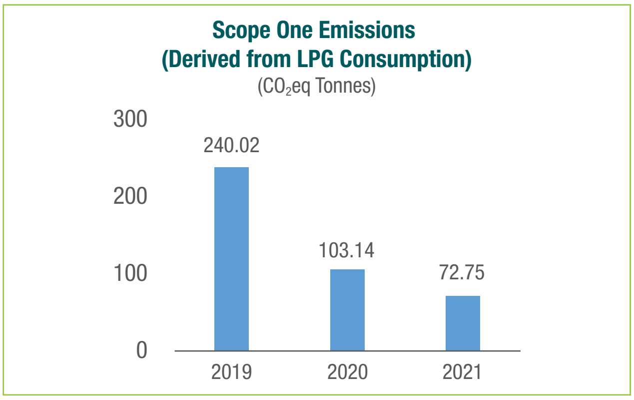
LEVERAGING RENEWABLE ENERGY

The exploration of RE usage, in particular solar was disrupted by the ongoing COVID-19 pandemic. The focus was on ensuring SOP compliance and providing assistance to stakeholders including the government in combatting the pandemic.

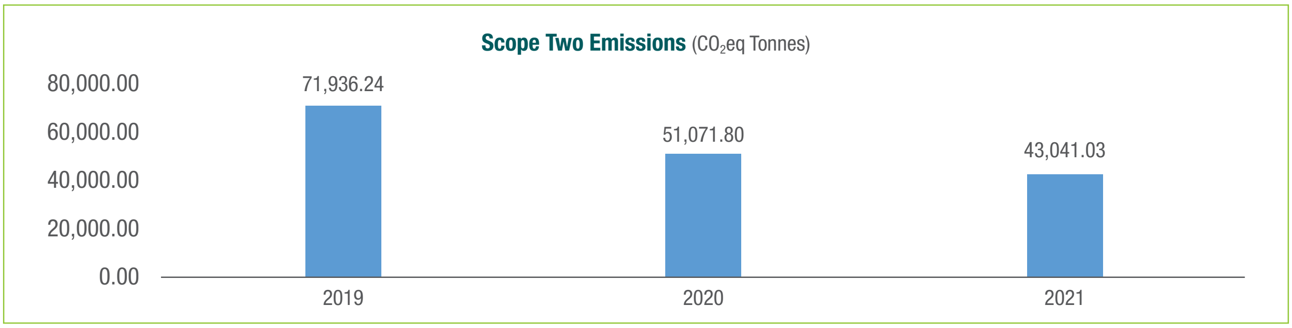
However, the Board and Management have again pivoted their focus to RE, with the effects of the pandemic subsiding over time. Potentials considered include installing solar photovoltaic panels on the roofs of our retail malls as well as other built-up structures and, being extended to construction sites.WCT calculates its Scope One and Scope Two emissions using the GHG Protocol Corporate Accounting and Reporting Standard (GHG Protocol) methodology as given by the Malaysia Green Technology Corporation MGTC.

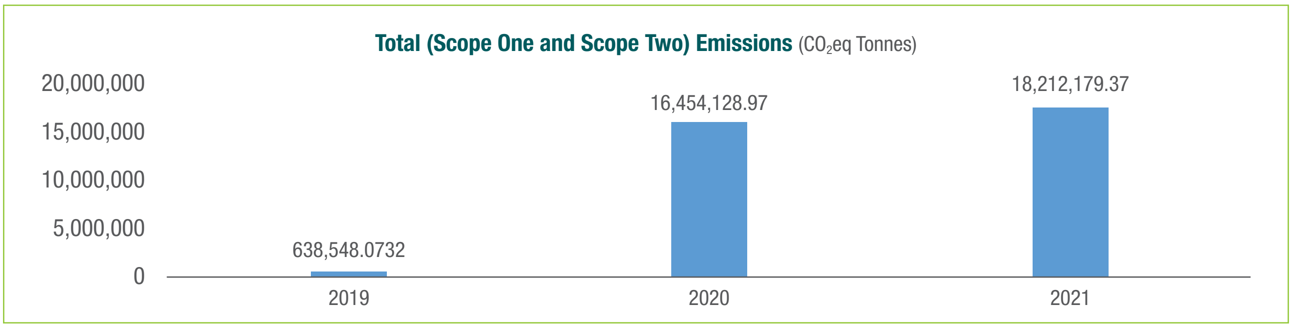
EMISSIONS DATA



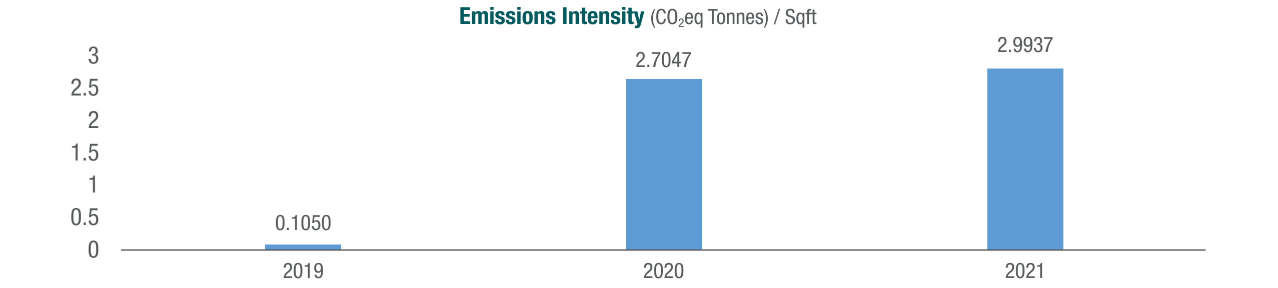


Note: Scope One emissions for 2019 is restricted to the following six sites only under the Engineering and Construction Division: MRT2 V204 & S204, Pan Borneo Highway, TRX C2, WCE, LRT3 GS02 & GS03 and TRX Retail.





SUSTAINABILITY STATEMENT
cont'd

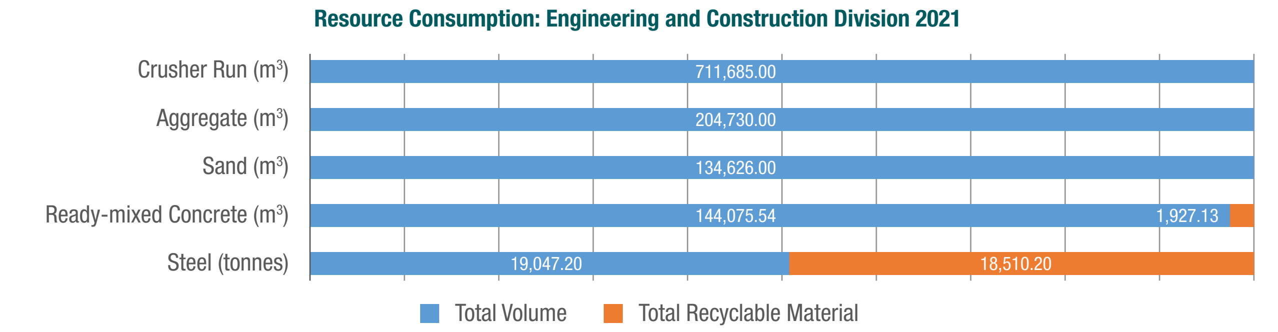


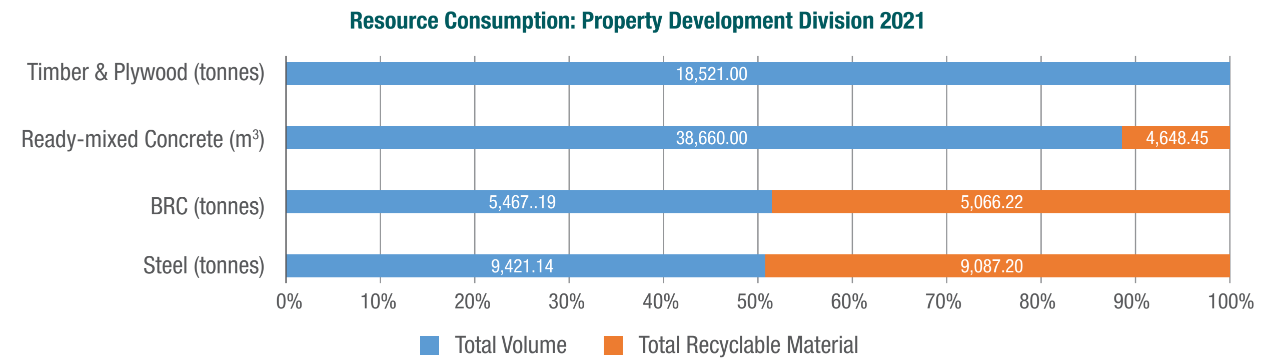
1. *Emissions intensity for FY2019 is significantly lower due to lesser Scope One carbon emissions from only six project sites: MRT2 V204 & S204, Pan Borneo Highway, TRX C2, WCE, LRT3 GS02 & GS03 and TRX Retail.,*
2. *Emissions in FY2020 onwards increased due to a wider data scope encompassing more project sites.*

RESOURCE CONSUMPTION

As prior mentioned, engineering and construction and property development activities typically consume large quantities of various natural resources. Among these include steel, cement, concrete, wood, bricks, masonry and glass.

RESOURCE CONSUMPTION DATA





However, the property investment and management division also consume resources. Aside from energy and water, resources consumed include LPG, aviation fuel and others. The data for LPG is provided under disclosures for direct energy consumption under the Energy Management sub-section.

SkyPark Aviation's fixed-based operation services have started discussion with Petronas to introduce Sustainable Aviation Fuel (SAF) for business aviation and general aviation operators' use.

The focus has been on progressively reducing consumption through circular economy principles as well as sustaining planning and design. Business and operational processes are constantly being re-engineered and redesigned towards ensuring optimum efficiency of resource use.

SUSTAINABILITY STATEMENT
cont'd

In addition, all business divisions are encouraged to use materials with minimal environmental impact. Where possible, WCT attempts to use recycled material or material with recycled contents. For example, the use of lightweight autoclaved aerated concrete (AAC) blocks, which contains a degree of recycled material content. Cement, steel bars, BRC and ready mixed concrete consumed also have recycled material content in varying degrees. Certified "Green" products are also used for green buildings.

Fact Box story:

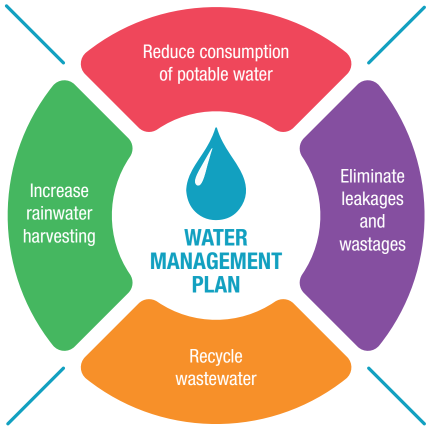
The Pavilion Damansara Heights project (superstructure works) uses pre-packed and pre-mixed masonry, which is a Green Mark and Green Label certified building material. This enables reduced waste compared to conventional methods of in-situ mixing that leads to higher wastage. The project also includes other Green Label certified materials for waterproofing, bricklaying and interior paint works.

WATER CONSUMPTION AND MANAGEMENT

WCT's approach across all business divisions is based on the following: to reduce demand for potable water sourced primarily from municipal sources by eliminating leakages and wastages across its operations, to tap rainwater as an additional source and where possible, implement recycling systems that enable wastewater to be converted into greywater for non-potable applications.

WCT also focuses on reducing water consumption of its consumers clients and tenants across its mall and hotel operations through education initiatives and reminders. The same education efforts have also been extended to WCT homebuyers.

Apart from education, WCT also installs fittings such as water efficient faucets as provided for under the water efficiency labelling scheme (WELS) in their properties. gateway@klia2 is an example of a business premise that uses such fittings.



WATER SAVING MEASURES UNDERTAKEN BY BUSINESS DIVISIONS:

Engineering and Construction

- Project site - Use of ground water and harvesting of rainwater for sanitary system (toilets) wash trough and wheel washing.
- WCT Machinery - Conduct routine monthly workplace inspection to ensure no leaking water taps to avoid water wastage.
- Water used in hydrostatic tests for pipes is recycled for re-use during a buidling testing and commissioning.

Property Development

- Rainwater harvesting systems across townships and developments. This reduces potable water consumption, as collected water can be used for landscape irrigation and other applications.
- Installation of faucet aerator and dual-flush toilets.

Property Investment and Management (Retail Malls and Hotels)

- Retail Malls:
  - Conduct weekly water, tap and toilet flush system checking (check for equipment defect) and maintenance to prevent wastage and conduct routine checking at incoming water pipeline for possible leakage.
  - Reduced running of chillers and cooling tower
  - Presently exploring water management strategies including proportioning of water supply inaccordance to usage for amenities, equipment and consumption by tenants.
  - Ongoing feasibility study on additional water tank storage and/or water harvesting for non-human usage due to limited or availability of space for such installation.
- Hotels:
  - Utilising rainwater harvesting for landscaping and building maintenance

SUSTAINABILITY STATEMENT
cont'd

FACT BOX STORY:

Rainwater Harvesting at Première Hotel

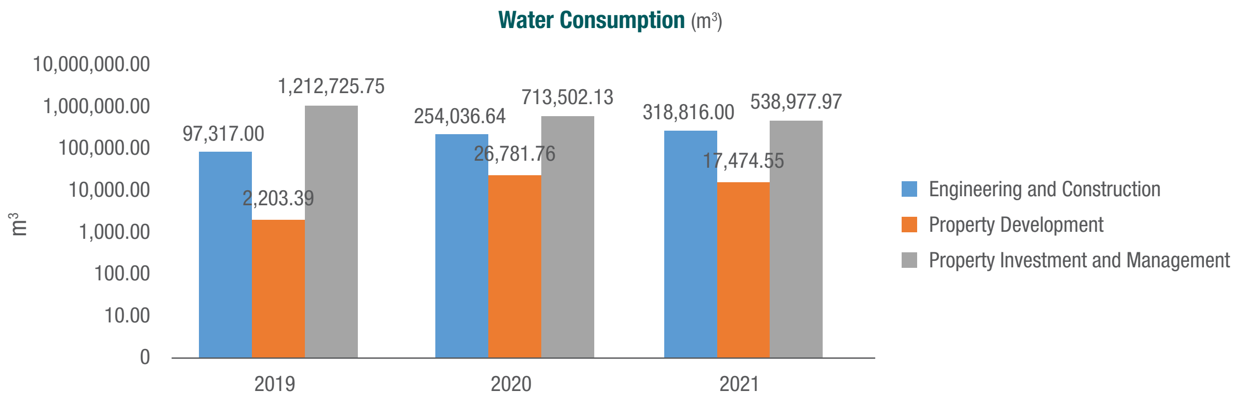
Currently, there are four rainwater harvesting drums of 800 gallons each with the water collected used for weekly cleaning of the premises. This equates to 3,200 gallons of reduction in potable water consumption.

The hotel plans to next use rainwater for landscaping and washing of other common areas such as the basement areas and for cleaning waste handling equipment.

Rainwater Harvesting at New World Petaling Jaya Hotel

The hotel's 4,755-gallon rainwater harvesting tank provides sufficient supply for watering plants, toilet flushing and washing of waste bins. Daily usage is presently at 1,585 gallons.

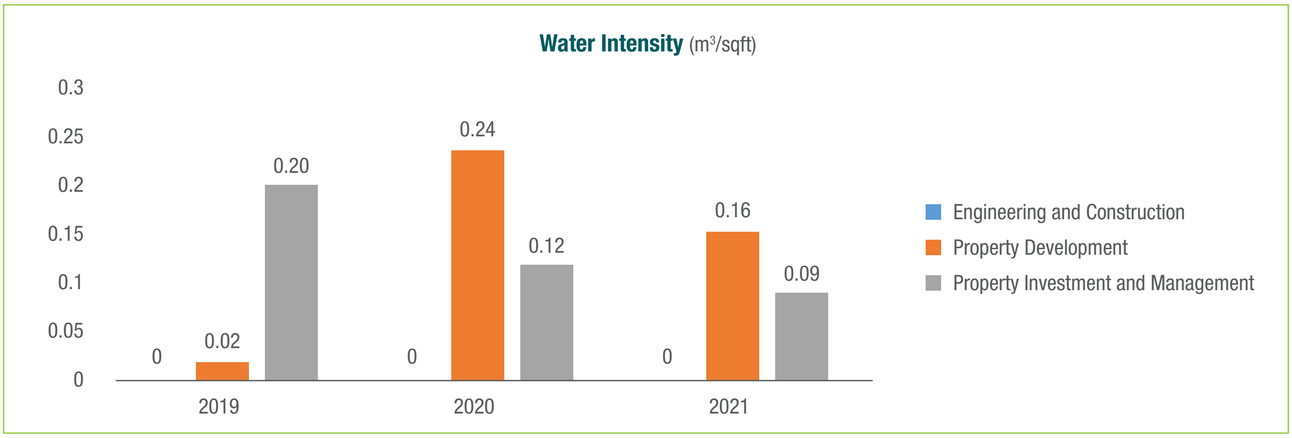
WATER CONSUMPTION DATA



A more detailed breakdown is provided in the table below which shows water consumption in terms of offices and projects sites for the Property Development Division, as well as for retail malls, hotels and business aviation operations for the Property Investment and Management Division.

	Total Water Consumption (m^3)		
Division/Year	**2019**	**2020**	**2021**
Engineering and Construction	**97,317.00**	**254,036.64**	**318,816.00**
Property Development	**2,203.39**	**26,781.76**	**705,231.75**
Offices	2,203.39	3,390.76	4,694.07
Project Sites	0.00	23,391.00	700,537.68
Property Investment and Management	**1,212,725.75**	**713,502.13**	**538,977.97**
Retail Malls	1,093,556.00	655,935.00	474,986.00
Hotels	115,718.00	55,534.00	61,186.00
Business Aviation	3,451.75	2,033.13	2,805.97
Total	**1,312,246.14**	**994,320.53**	**1,563,025.72**

SUSTAINABILITY STATEMENT
cont'd



Note: Similar to electricity intensity, water intensity is measured based on total water consumed by the respective business division against total sqft of directly managed operations of said division. The Property Development Division's intensity ratios are only calculated against office consumption as project sites area cannot be measured accurately. Intensity data for engineering and construction is unavailable due to the difficulty in deriving accurate measurements for all construction sites. The Group intends to address this for a more precise perspective in future reports.

WASTE MANAGEMENT

Waste in various forms is produced by the Group's business operations. These include construction waste such as earth and other debris from excavations, concrete waste, wood and timber waste, steel scrap, plastic packaging waste and domestic waste including food waste. Waste can be further categorised into hazardous and non-hazardous waste.

WCT continues to adopt measures to reduce wastes produced from all operational sites. The primary approach is based on the 3R approach of reduce, reuse and recycle. In particular, the Group's construction sites, retail mall and hotels have adopted a wide range of 3R methodologies towards reducing the amount of waste sent to landfills.

As much as possible, asphalt milling waste is used to construct the subgrade, subbase and roadbase layers for roads. Asphalt milling waste is also used as a granular backfill material for drainage works. Surplus concrete is used to repair road surfaces and fabricate concrete road barriers.

Surplus concrete is used to fabricate road barriers at one of the project sites

SUSTAINABILITY STATEMENT
cont'd

Recycled Content

We use recycled pre-consumer and post-consumer steel and concrete. Such materials are targeted to make up 20% to 95% pre or post-consumer recycled content.

Reusable Materials

Where possible we favour reusable formwork, made possible by innovations in technical design and features which have enhanced quality and longevity, making it more accessible. This is also supported by time and cost efficiencies gained.

Sustainable Timber

A proportion of the timber that we procure, such as 12mm plywood, complies with the requirements set by the Programme for the Endorsement of Forest Certification (PEFC). To ensure traceability of our wood sources, wood products validated with PEFC are tracked and documented according to certified chain of custody.

All construction sites have established a recycling system to enable the recovery of various materials.

All hazardous and non-hazardous waste is managed and disposed of, in accordance with regulatory requirements set by the Department of Environment (DOE) Malaysia and local authorities. However, where required, waste is disposed by DOE or local authority licensed third party contractors at government approved landfill sites.

SkyPark Aviation continues to advise all aircraft owners and operators to segregate domestic waste from inflight aircraft catering for recycling purposes.

WASTE MANAGEMENT DATA

Engineering and Construction	2019	2020	2021
No of Sites Tracked	13	12	11
Landfilled (tonnes)	6,562.70	4,848.67	5,514.63
Reused waste (tonnes)	19,903.30	23,162.12	23,540.00
Reycled (tonnes)	3,956.10	9,686.17	36,608.54
Total (Non-hazardous waste)	**30,422.26**	**37,696.96**	**65,651.25**
Scheduled waste (tonnes)	51.67	56.11	47.40
Total amount of construction waste	**30,501.23**	**37,753.07**	**65,698.65**

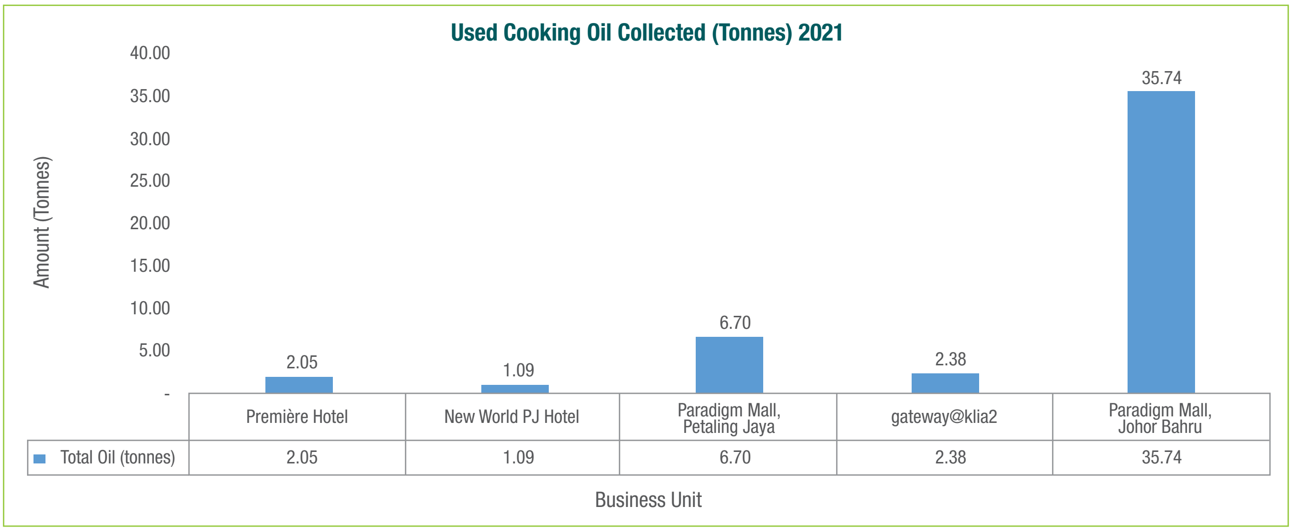
Property Development	2019	2020	2021
No of Sites Tracked		5	6
Landfilled (tonnes)		1,511.00	917.93
Reused waste (tonnes)		N/A	348.00
Reycled (tonnes)		N/A	123.09
Total (Non-hazardous waste)		**1,511.00**	**1,389.02**
Scheduled waste (tonnes)		N/A	0.01
Total amount of construction waste		**1,511.00**	**1,389.03**

Property Investment and Management	2019	2020	2021
No of Sites Tracked	5	5	5
Landfilled (tonnes)	11,854.00	10,345.00	3,284.44
Reused waste (tonnes)	N/A	N/A	N/A
Reycled (tonnes)	552.00	300.00	175.17
Total (Non-hazardous waste)	**12,406.00**	**10,645.00**	**3,459.61**
Scheduled waste (tonnes)	N/A	N/A	N/A
Total amount of construction waste	**12,406.00**	**10,645.00**	**3,459.61**

WCT intends to improve data collection on its waste for all divisions to develop a more complete perspective of total waste produced by the Group going forward.

SUSTAINABILITY STATEMENT
cont'd

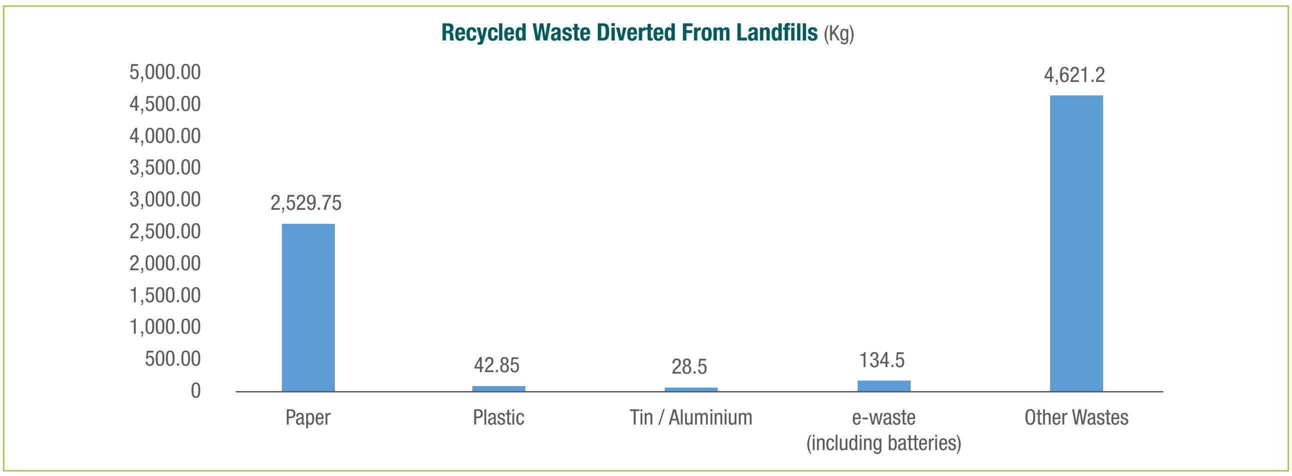
On a separate note, WCT collected 47.96 tonnes of used cooking oil, primarily from its Property Investment and Management business. This is part of its continued and concerted efforts to avoid waste products being sent to landfills.



LANDFILL WASTE REDUCTION PROGRAMME

WCT's Landfill Waste Reduction Programme at offices and project site offices was expanded in FY2021, from the initial five sites to 17 sites in FY2021. The programme sees the placement of recycling stations at all participating locations to encourage segregation and collection of recyclable wastes such as plastic, glass, paper, aluminium, tin and e-waste. In FY2021, a total of 7,356kg of assorted waste were diverted from landfills. These included the following:

Waste collected for recycling as part of the WCT Landfill Reduction Programme



SUSTAINABILITY STATEMENT
cont'd

BIODIVERSITY

Given the importance of biodiversity in ensuring food security, the health of ecosystems, local tourism, and even scientific research (healthcare) as well as other commercial applications, it is imperative that businesses step forward to play a meaningful role in preserving biodiversity. More so in Malaysia, where the nation has a rich biodiversity of flora and fauna, and which has become part of the country's identity and heritage.

It must be highlighted however, that since most Engineering and Construction projects are contracted by clients, WCT's Engineering and Construction Division is required to adhere to client's requirements which may not place biodiversity as a focal point of the development. In this distance, the allocated space for green areas / landscapes is not within the control of WCT.

However, where the Group does have control, i.e., its Property Development Division, WCT continues to advocate green landscapes and as much as preservation of biodiversity.

All projects are planned and designed with environmental and social impacts in mind. We comply with local regulatory requirements of maintaining in-situ ecological balance in preserving existing biodiversity at project sites.

WCT conducts a site inventory, topography analysis, arborist surveys and social impact assessments, as key first steps. Prior to site clearing, an EIA is conducted where applicable. Projects by our Engineering and Construction and Property Development divisions are analysed for prudent action steps where applicable.

If and where necessary, WCT shall collaborate with external experts such as researchers towards conducting biodiversity audits at relevant operational sites.

This is the approach advocated and despite WCT's property projects primarily being standalone developments in densely populated urban areas with little biodiversity, the Group still looks to increase the green areas within each development which majority is planned to have more than 5% of green area. This is to maintain biodiversity as well as to comply with regulatory requirements.

Project	Trifolis Apartments, Bandar Bukit Tinggi 2	Aronia Apartments	W City JGCC Plot 1[1]	The Maple Residences, W City OUG	Paradigm Johor Bahru Hotel & Residences[2]	Pavilion Mont Kiara
Green Area (Acre)	0.79	1.25	0.72	1.65	0.43	0.671
Green Area (%)	15.1	23.9	8.4	33.6	3.5	21.3

Note: Above shows the percentage of green areas in WCT's property development projects.

1 *W City JGCC Plot 1: the approved on-grade green area is 0.72 acres (approximately 8.4% of land size). In addition, the project provides a total of landscape area of 2.02 acres (approximately 23.4% of building plinth) at podium level.*

2 *Paradigm Johor Bahru Hotel & Residences: the approved on-grade green area is 0.43 acre (approximately 3.5% of land size). In addition, the project provides a total landscape area of 3.57 acres (approximately 28.9% of building plinth) at podium level.*

The Group continues to explore avenues to play a meaningful role in preserving biodiversity.

As of December 31, 2021, WCT has not operated in or adjacent to sites deemed to be biodiverse or sites which contain flora and fauna species deemed to be on the IUCN Red List. At all property sites, WCT has looked to revive or introduce local vegetation such as shrubbery, plants and trees. Local plants typically are more resilient and adapt better to the surroundings and often require less maintenance such as pruning and may also consume less water.

In FY2021, 1,437 trees were planted at a single project site under the Engineering and Construction Division.

The Group has set a target of replanting 500 trees per year or at the very least, 30% of felled trees.

ENVIRONMENTAL MONITORING AND PROTECTION

WCT performs stringent periodic air, water and noise pollution monitoring at its project sites to ensure compliance with regulatory parameters. Environmental monitoring is carried out by an independent, third-party entity.

All construction sites engage certified environmental consultants or accredited laboratories to conduct environmental monitoring, sampling and reporting of data. SIRIM QAS conducts certification audits of WCT's EMS where implemented, annually, to ensure continued conformance to the ISO 14001 standard.

Before commencing any construction project, WCT conducts the relevant pre-assessments, including EIAs and SIAs for projects with said requirements. In FY2021, all project sites have adhered to the permissible air, water and noise discharge levels set by the DOE.

SUSTAINABILITY STATEMENT
cont'd

*The wastewater treatment units at Kota Bharu Airport and Merdeka Mall project site.
The chemical process in the system removes suspended solids from construction activity surface runoff, rainwater runoff and wastewater generated within the project site before discharging into the public drainage system or recycled for further use.*

Temporary sediment pond at W City JGCC project site to capture eroded or disturbed soil from entering watercourse.

Purpose-built sediment pond at Hilltop 2 project site to filter and treat surface run-off containing silt or effluent before releasing water into the watercourse.

SUSTAINABILITY STATEMENT
cont'd

The following table outlines the specific standards, guidelines, KPIs, general incidents as well as the Person in Charge ("PIC") of environmental pollution monitoring.

Pollution Type	Pollution Monitoring and Control Guidelines	Pollution Control KPIs	General Pollution Incidents/ Causes	Environmental Monitoring PIC
Air	WCT complies with New **Malaysian Ambient Air Quality Standards (2020)** by DOE. The parameters to be monitored are differed for each project sites based on client requirements (stated in Contract, BQ) or regulatory bodies (such as DOE, EPD, NREB, etc.). For those projects subject to EIA, all the monitoring & compliances shall be adhered to **EIA requirements / EIA Conditions of Approval** by DOE.	Project sites have to comply with the recommended limits / target as stipulated by the Authorities / Client based on **Malaysian Ambient Air Quality Standard (2020)**.	Most significant impacts of air pollution from the project sites are due **to dust emission during earthwork activity** and **dark smoke emission from generator sets and heavy machineries**. If there is any non-compliance observed during site inspection, site audit or Authority enforcement, we may receive a NCR, SWO and Fine / Penalty if no proper control and mitigation measures are taken place. Besides that, public / nearby residences complaints might contribute to the NCR / SWO / Fine by the client or Authority.	We have **Environmental personnel** and / or an **Environmental representative** at all our project sites to monitor the related environmental matters / issues.
Water	For water discharges from a silt trap / sediment pond, project sites shall comply with the **Environmental Quality (Industrial Effluent) Regulation 2009** by DOE (either Standard A or Standard B, based on a project location from the raw water intake / treatment. If the construction project is located at the upstream of the water intake, Standard A shall be used). Generally, basic parameter to be monitored is Total Suspended Solid. As for river water quality, we comply with the National Water Quality Standards for Malaysia ("NWQS") based on the river water classes & uses (Class I – Class V). The parameters to be monitored for both silt trap / sediment pond and river water are differed for each project sites based on client requirements (stated in Contract, BQ) or regulatory bodies (such as DOE, EPD, NREB, etc.). For those projects subject to EIA, all the monitoring & compliances shall be adhered to EIA requirements/ EIA Conditions of Approval by DOE accordingly. Filtration systems using silt fence or gabion wrapped with geotextile are installed to treat surface run-off and effluent from project sites before entering watercourse. Wastewater treatment unit are installed to remove suspended solids from construction activity surface runoff, rainwater runoff and wastewater generated within the project site. The chemical process reduces the suspended solids content below 50 mg/litre before discharging into the public drainage system or recycled for further use.	Project sites have to comply with the recommended limits / target as stipulated by the Authorities / Client based on **Environmental Quality (Industrial Effluent) Regulation 2009** and **NWQS or EIA requirements / EIA Conditions of Approval**.	Most significant impacts of water pollution from the project sites are due to **earthwork activities; during site clearing, excavation, piling works** and the **oily surface run-off due to improper storage of diesel container, hydraulic/ lubricant oil leakage or spillage from the heavy machineries**. If there is any non-compliance observed during site inspection, site audit or Authority enforcement, we may receive a NCR, SWO and Fine / Penalty if no proper control and mitigation measures are taken place. Besides that, public / nearby residences complaints might contribute to the NCR / SWO / Fine by the client or Authority.	

SUSTAINABILITY STATEMENT
cont'd

Pollution Type	Pollution Monitoring and Control Guidelines	Pollution Control KPIs	General Pollution Incidents/ Causes	Environmental Monitoring PIC
Noise	Generally, noise disturbances from the project site shall comply with the **Guidelines for Environmental Noise Limits and Control (2019)** by DOE. The recommended Schedule and Limit will be determined based on the receiving land use and the project's activity. The Guidelines should be used in new and existing project planning, which may not necessarily require an EIA. All projects requiring noise assessments must undertake an EIA in accordance to this Guidelines. The parameters to be monitored are differed for each project sites based on client requirements (stated in Contract, BQ) or regulatory bodies (such as DOE, EPD, NREB, etc.). For those projects subject to EIA, all monitoring & compliances shall adhere to **EIA requirements/ EIA Conditions of Approval** by DOE accordingly.	Project sites have to comply with the specified noise limits in the environment for new developments and projects for protection of the public from excessive noise as stipulated by the Authorities / Client in accordance to **Guidelines for Environmental Noise Limits & Control (2019)** or **EIA requirements/ EIA Conditions of Approval**.	Most significant impacts of noise emission from the project sites are due to **operation of machinery and equipment such as the piling rig, excavator, hydraulic breaker and generator set** as well as from **construction activities such as piling & boring works, demolition, concreting/ casting and hacking activities**. If there is any non-compliance observed during site inspection, site audit or Authority enforcement, we may receive an NCR, SWO and Fine / Penalty if no proper control and mitigation measures are taken place. Besides that, public / nearby residences complaints might contribute to the NCR / SWO / Fine by the client or Authority.	

Water quality non-compliance monitoring data for effluent discharged to river, marine water and monsoon drain at all sites is provided in the tables below. The non-compliance was addressed and rectified at the point of detection.

ENGINEERING AND CONSTRUCTION DIVISION:

Project Site	Year		
	2019	2020	2021
TRX C2	0	0	2
WCE	0	0	0
Pan Borneo Highway	0	10	12
MRT2 V204 & S204	0	0	5
LRT3 GS02 & GS03	0	4	9
Elevated Highway Project, Sprint Highway	0	5	0
TRX Retail	0	0	0
Pavilion Damansara Heights	0	0	0
Merdeka Mall	N/A	N/A	N/A
Sapangar Bay	N/A	N/A	9
Kota Bahru Airport	N/A	N/A	3

SUSTAINABILITY STATEMENT
cont'd

PROPERTY DEVELOPMENT DIVISION:

Project Site	Year		
	2019	2020	2021
W City JGCC	2	0	0
W City OUG	NA	0	7
Aronia Apartments	NA	NA	NA
Paradigm Hotel & Residence	NA	4	8
Parklands Sewerage Gravity	NA	NA	2
Pavilion Mont Kiara	NA	NA	2

In FY2021, WCT has not been fined or censured for any incident of environmental non-compliance. WCT conducts continuous monitoring of its environmental compliance obligations.

ENVIRONMENTAL AND SOCIAL PERFORMANCE ACROSS THE SUPPLY CHAIN

WCT's focus remains on cascading its sustainability mindset across its supply chains. The goal is to develop a more ethical base of service providers who are aligned to the Group's business philosophy and ESG approach. The support of the supply chain is crucial in developing a greater positive effect on environmental and social issues as quite often, it is in the supply chain that a wide range of issues continue to persist.

While WCT can improve its operations and become sustainable, true sustainability will be achieved when the supply chain is aligned accordingly to the Group's approach and vision.With that in mind, WCT is presently developing its Sustainable Procurement Policy, which is expected to be ready by FY2023. The Policy will serve as the basis for the selection of suppliers, expected sustainability practices and standards that all goods and service providers must adhere to and essentially, providing a comprehensive framework to ensure robust sustainability governance of the Group's supply chains.

However, standards for conduct, business practices and environmental and social performance do exist for suppliers. Following are the general principles in which suppliers must abide by in order to be eligible to bid for WCT contracts:

RESPECT FOR LOCAL REGULATIONS AND LABOUR RIGHTS	Suppliers must comply with all regulatory requirements pertaining to the environment and employment of labour. This includes minimum wage, ensuring workers rights and welfare, personal freedoms as enshrined by law and providing necessary healthcare.
ETHICAL BUSINESS PRACTICES	Suppliers must at all times, conduct themselves in all dealings in an ethical manner. No forms of corruption, bribery, illegal or poor corporate integrity will be tolerated.
PRIORITISATION OF HEALTH AND SAFETY	Suppliers must ensure a safe working environment for all workers, including providing training, equipment and undertake all required measures as stipulated by law. Suppliers must adopt a recognised Health, Safety and Environmental system.
UPHOLD QUALITY	Suppliers should attain, where relevant ISO or industry equivalent certifications that indicate compliance to high quality standards and best practices.
DO NO HARM	Suppliers must operate in a manner that does not contaminate or damage the environment.

SUSTAINABILITY STATEMENT
cont'd

SOCIAL PERFORMANCE

WCT places high importance on safeguarding its stakeholders and ensuring continued value creation for them. The social agenda is primarily focused on the following stakeholders: employees of the Group, local communities and workers who are not under direct employment of the Group, but whose work conditions and work sites come under the Group's purview. The material social matters comprise talent management, community investments, OHS, labour welfare and human rights. Increasingly, focus is also being placed on the Group's supply chain towards aligning suppliers, vendors, contractors and business partners with WCT's increased ESG commitment and focus. In FY2021, there have been zero recorded incidents of social non-compliance as per regulations. The Group has not been censured or fined and there have been zero cases brought through dispute resolution mechanisms. There have been cases of customer complaints or concerns, which have been addressed by the respective business divisions or operations who received such complaints. Such complaints are addressed and resolved in accordance with SOPs and implemented customer service processes. Further information is provided in the Customer Satisfaction section of this report.

TALENT MANAGEMENT

As the business develops, there is a greater requirement to acquire and retain professional talent across the Group. Talent attrition leads to loss of knowledge and experience, which needs to be prevented or reduced progressively. It is also essential that high-calibre professionals from diverse backgrounds are hired to provide WCT with a wide range of expertise and capabilities and offer solutions demanded by an increasingly complex and dynamic business environment.

WCT's approach to talent management is driven by the Group's Human Resource department. It is centred on recruitment, retention, reward, training and professional development.

WCT subscribes to the practice of merit towards providing equal opportunity for all positions across the Group.

WCT complies with the Malaysian Employment Act 1995 and all other relevant labour laws of Malaysia. These are in line with the International Labour Organisation (ILO).

For FY2021, WCT has not been fined, censured or faced any regulatory action for infringements of the rights of any persons, adult or child, nor any incidence of forced or compulsory labour.

EMPLOYEE RIGHTS

WCT supports the rights of employees as provided for by law. This includes the right to mandatory benefits and welfare, humane working conditions and the right to freedom of association, to bargain collectively and to express grievances.

Employees are free to join, support or participate in any legal association, cultural society, professional body or political entity so long as such associations are not illegal i.e., involvement in outlawed groups.

SUSTAINABILITY STATEMENT
cont'd

As much as possible, WCT provides sufficient notice periods for both major and minor operational changes that could affect employees. Such changes include changes to employment conditions, location of work, nature of work and any changes to remunerations or benefits as well as contract status such as promotions, probationary periods and dismissals.

Employees are entitled to and are encouraged to seek further clarification or information regarding any operational change. Employees also have the right to voice any grievances or dissatisfaction arising from the change with their immediate superior or their Human Resource Department.

In FY2021, there were three complaints in relation to the operational changes which resulted in constructive dismissals. All three cases have been referred to the industrial court and WCT awaits the cases to be called.

PROMOTING AN EQUAL OPPORTUNITY WORKPLACE AND GENDER / ETHNIC DIVERSITY

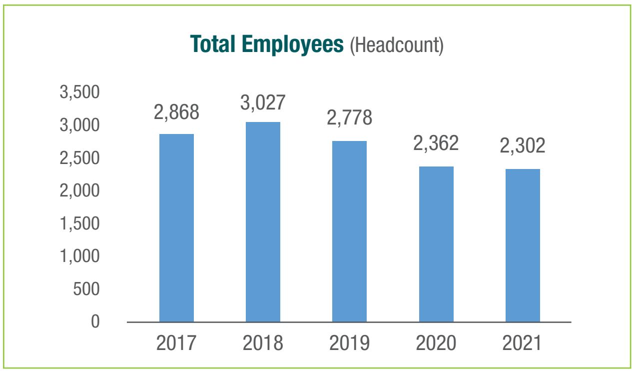
Diversity and equal opportunity are cornerstones of WCT's approach to talent management. The Group values diversity as it enables the development of multiple and varied perspectives and experiences that enables for richer and more insightful decision making.

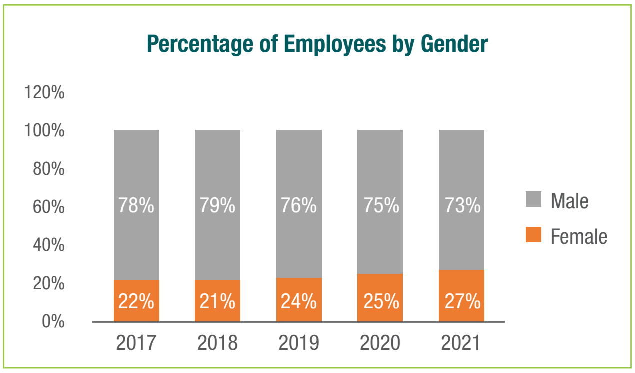
Championing diversity also ensures that marginalised and under-represented groups have access to employment opportunities.

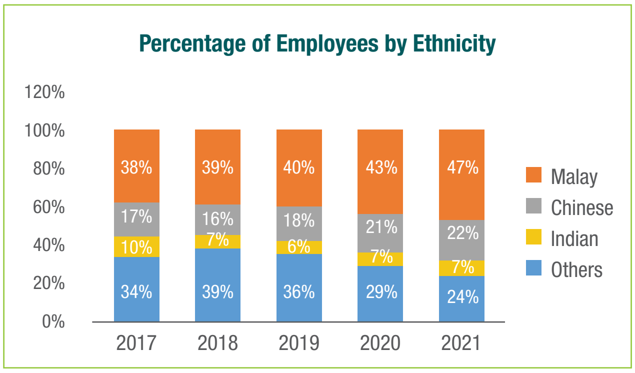
Group Human Resources ("GHR") has established clear directives that support non-discrimination, and the creation of an equal opportunity workplace centred on professionalism, meritorious performance and mutual respect.

WORKFORCE DEMOGRAPHIC DATA

While the workforce comprises significantly more men, the ratio between men and women employees indicates greater parity for office related jobs. The physically demanding and intensive nature of works on construction / operational sites is the prime reason why the overall workforce composition has a larger number of male employees.

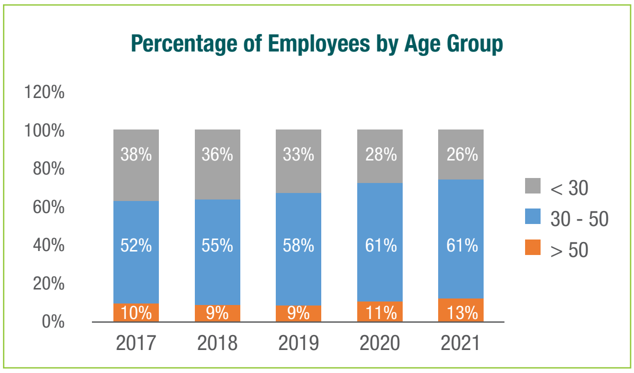


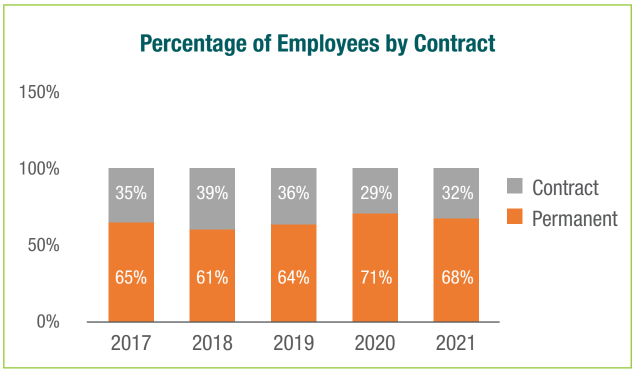




Note: Employees categorised under "Others" include foreigners and minority ethnic groups of Malaysia.

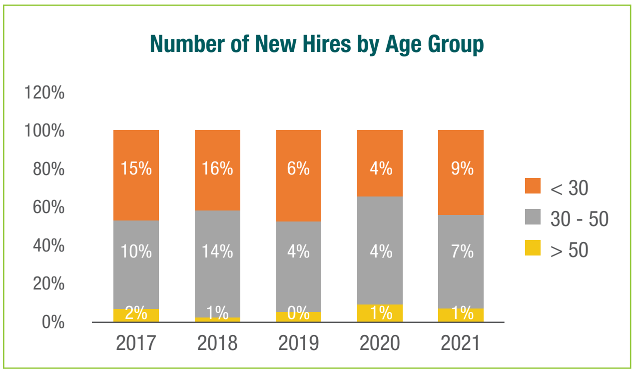
SUSTAINABILITY STATEMENT
cont'd

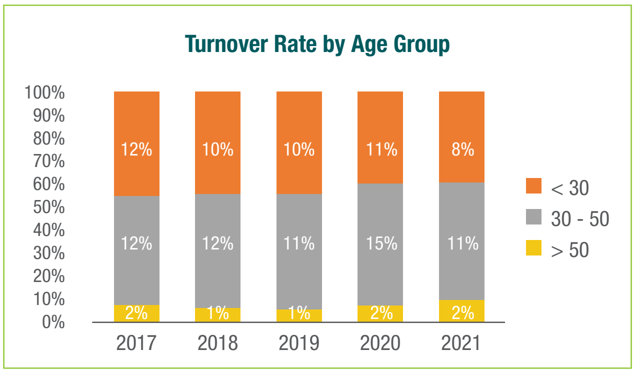




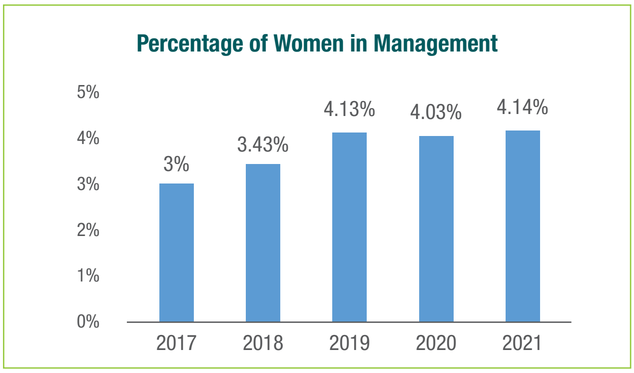
A vast majority of the employees fall between the age group of 30-50 years old, providing WCT with sufficient talent to support succession planning initiatives across the Group.

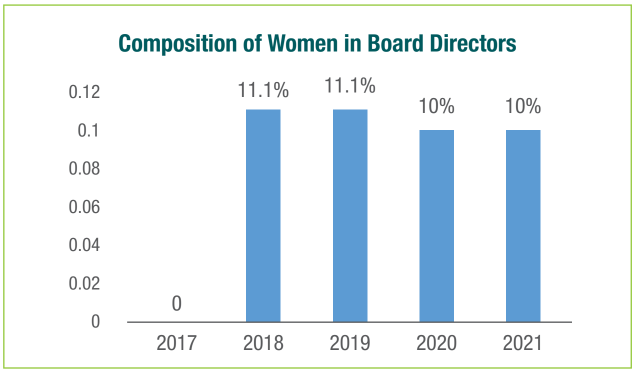
Most employees are hired on a permanent basis and are mostly locals. This enables more locals to enjoy job security and improved employment benefits.





GHR is actively taking measures to recruit and groom more women managers to key middle and senior management positions across WCT. The Group is also looking to increase the number of women directors as recommended by Bursa Malaysia and MCCG 2021.

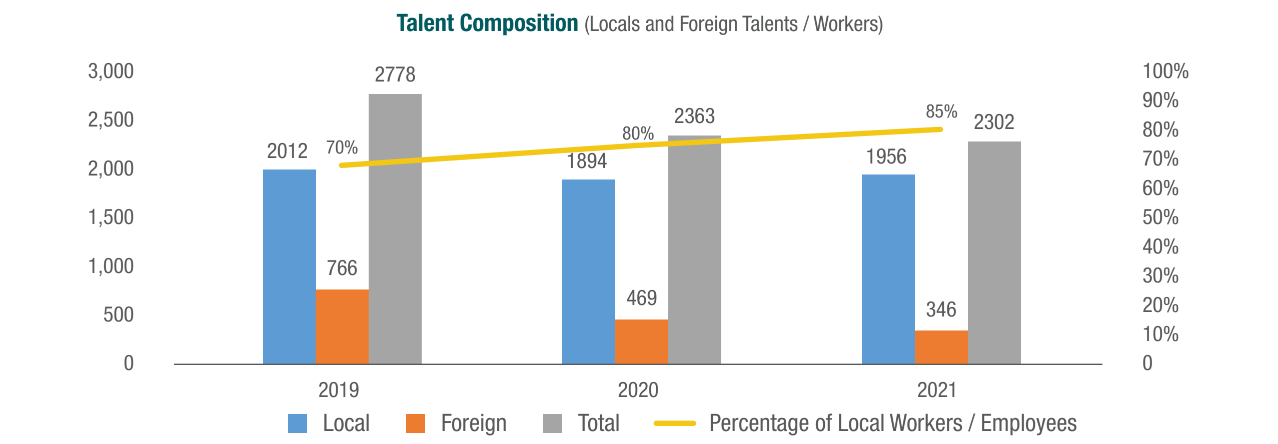




SUSTAINABILITY STATEMENT
cont'd

PERCENTAGE OF FOREIGN VS LOCAL WORKERS / EMPLOYEES (GROUP)

Most foreign workers / employees of the Group are employed by the construction and property development arms of the Group. Following are specific data regarding foreign worker employment. Local workers / employees remain the large majority of the workforce.



RECRUITMENT

Almost 100% of WCT's workforce comprises local hires except for the Engineering and Construction Division, which employs foreign labour.

Beyond providing jobs for locals, WCT is also enabling the transfer of knowledge, especially highly niched and technical expertise to local talent, thereby developing the talent pool of Malaysians.

The wide range of employment opportunities provided by the Group through its operations also ensure that a vast number of local graduates are employed within the country, helping to prevent a brain drain, which is also an issue that Malaysia presently faces.

The jobs created also provide sustainable disposable incomes, where the multiplier effect is felt across many families and also supports the local economy.

Talent is hired based purely on merit, which is the candidates' professional qualifications, competences and related experience. The Group's Human Resource policy forbids discrimination on the grounds of ethnicity, gender, age, disabilities, political affiliations and other socio-demographic factors.

EMPLOYEE LEARNING AND GROWTH

At WCT, training requirements for individual employees are identified through a gaps assessment process as well as through an annual formalised job appraisal process. All employees receive a formal appraisal at least once a year. In FY2021, 100% of employees were appraised.

With regard to the appraisal process itself, WCT practices a closed approach, with the appraisal being conducted between the employee and his or her superior to ensure confidentiality. Areas for improvement are identified and plans formulated for the closing of performance gaps. In the event of a disagreement on the assessment, the employee has the right to channel his / her feedback to GHR. This is part of the overall grievance mechanism established for employees to voice their dissatisfaction on any matters related to their employment. For FY2021, there were zero unresolved grievance issues including on performance appraisal issues.

SUSTAINABILITY STATEMENT
cont'd

WCT pays for all training programmes attended by employees. Employees may also request for training as and when they identify such opportunities to further improve their skills to support continued professional development.

	2021	
	Management	Non-Management
Training Hours	457	13,314.81
Number of Employees attended	58	8,286
Investment spent (RM)	3,550.00	140,547.30

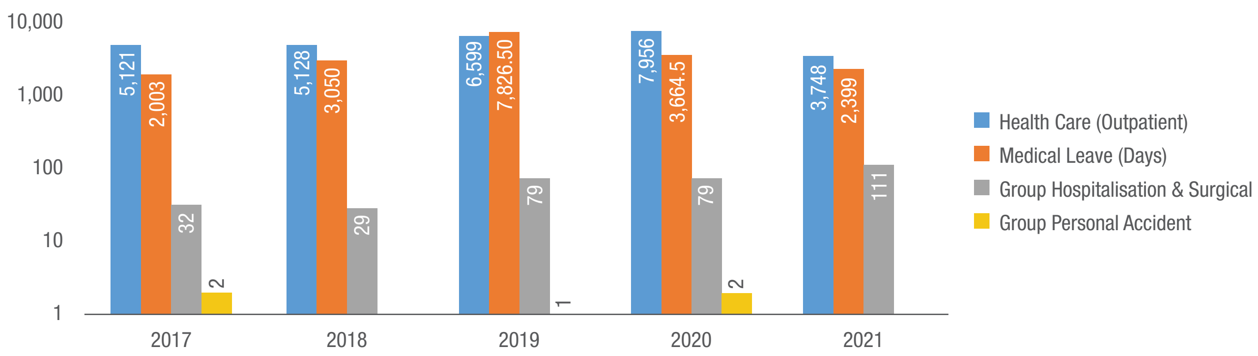
EMPLOYEE REMUNERATION AND EMPLOYMENT BENEFITS

WCT provides competitive compensation packages to all staff under the Group's direct employ, that commensurate with their professional qualifications, experience and seniority as well as their job performance. This is essential as compensation provided must be market competitive towards attracting and retaining talents across the Group.

Remuneration, which includes salaries, bonuses, statutory payments, healthcare, several types of leave as well as other financial and non-financial rewards comply with the Employment Act 1955 and match present market standards. WCT practices the principle of reward based on meritorious performance with no discrimination or favouritism based on gender, ethnicity, age, religion, disabilities and / or other demographic factors.

There have been zero reported incidents of discrimination based on gender, religious beliefs or ethnicity during the fiscal year.

Employee Benefits Provided and Utilised by Staff

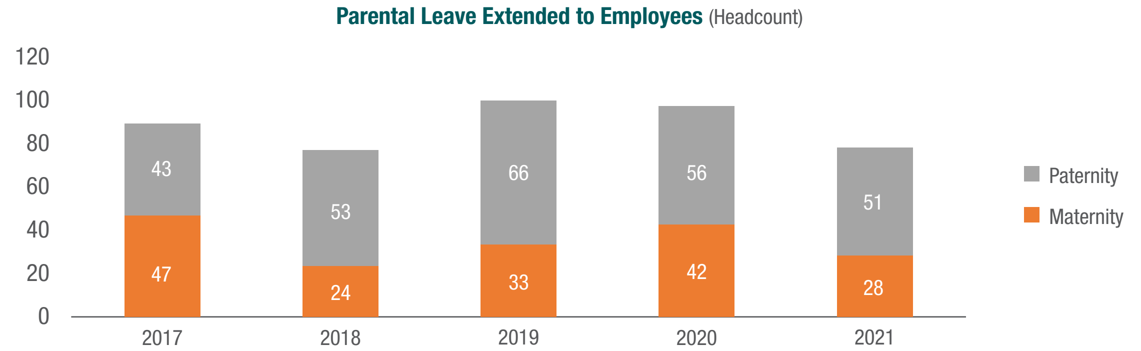


Additional details including monies spent on benefits is provided in the table below:

Benefits	2019		2020		2021	
	Head Count	Claim Amount (RM)	Head Count	Claim Amount (RM)	Head count	Claim Amount (RM)
Health care (Outpatient)	6,599	949,712.19	7956	721,171.02	3748	589,791.96
Medical leave (days)	7,826.50	0.00	3664.5	0.00	2399	0
Group Hospitalisation and Surgical	79	777,787.72	79	1,059,650.49	111	890,363.13
Group Personal Accident	1	not claimable	2	160,000.00	0	0

SUSTAINABILITY STATEMENT
cont'd

PARENTAL LEAVE



MINNIMUM WAGE

WCT complies with the Malaysian government's minimum wage policy. Even before the implementation of the minimum wage policy, all salaries paid in WCT have exceeded the minimum wage requirement of RM1,200 per month.

YOUTH UNEMPLOYMENT INITIATIVES, APPRENTICESHIPS OR GRADUATE PLACEMENTS

As of 31st December 2021, 84 young, fresh graduates were selected for internship under WCT's Protégé RTW Programme. The target group for the programme are those unemployed from the bottom 40 percent of the economic strata ("B40"). category).

Remuneration and Benefits for candidates of this programme:
- Fixed Allowance (RM2,000 per month/head)
- 10 days' Soft Skills Training Program (by engaging external training provider with cost RM700 per participant).
- Other benefits are included PERKESO contribution (RM9.75 per month/head), Employment Insurance Scheme (RM3.90 per month/head), 10 days paid leave, 10 days sick leave, outpatient medical claim's limit up to RM300, and Group Insurances (Personal Accident, and Hospitalization & Surgical Policy).

Proteges on site during their internship period

OCCUPATIONAL HEALTH AND SAFETY ("OHS")

OHS APPROACH

OHS continues to be one of WCT's most significant material matters as workplace injuries or incidents may have serious disruptions to business operations and thereby, the creation of financial and non-financial values.

In addition, OHS incidents can also impact brand credibility and reputation and relationships with clients. In effect, OHS is akin to a license to operate and to bid and secure contracts for the property development and E & C divisions.

Perceptions of fear due to an OHS incident may impact customer patronage to WCT's malls and hotels. The ultimate objective is to maintain the "SAFETY FIRST" philosophy and ensure a healthy working environment for all stakeholders.

However, beyond business and value creation considerations, WCT, being a responsible corporate citizen, believes that any OHS incident, especially incidents that lead to injuries or even loss of life, is a tragedy that must be avoided at all costs. The Group is extremely concerned about any injury or loss of life.

Given the undeniable importance of OHS, WCT adopts a no-compromise stance regarding the safety and wellbeing of all stakeholders. This includes employees, third party contract workers, customers and all other stakeholders that may be impacted by an OHS incident.

SUSTAINABILITY STATEMENT
cont'd

BOARD AND MANAGEMENT OVERSIGHT OF HEALTH AND SAFETY

OHS has been a Board level material topic since the early years of the Group's establishment. OHS performance data, incident reports and other related information are periodically brought to the Board's attention. The Board deliberates on such matters and where necessary, recommends improvements or corrective actions to the present OHS management approach.

All business divisions and operating companies as well as operating sites have a designated OHS champion, who is responsible for ensuring safe and secure work environments and the continued realisation of OHS KPIs and targets. Senior Management is responsible for establishing various approaches and planning of announced and unannounced site visits and to initiate investigations into major OHS incidents as and when needed.

In FY2021, the following OHS topics were deliberated at either Board or Senior Management level or both at either the Group level or at respective subsidiary companies:

- Health, Safety and Environmental ("HSE") management system performance
- Legal compliance and HSE contractual requirements
- OHS training and awareness
- COVID-19 prevention and control measures
- COVID-19 vaccination programme for staff and general workers
- COVID-19 emergency response
- COVID-19 awareness programme
- Environmental and sustainability requirement
- Emergency Response and Preparedness

GOVERNANCE OF OHS

All WCT's business divisions operate in compliance with OHS regulatory standards and industry benchmarks set by the Malaysian government and / or its relevant agencies. WCT adheres to the Malaysian Occupational Safety and Health Act 1994, Factory and Machinery Act 1967, Environmental Quality Act 1974, regulation orders and other Codes of Practice.

In preventing work-related injuries and illnesses at the workplace, WCT has adopted the ISO 45001:2018 OHSMS. All business divisions and operating companies are working towards this best practice standard.

In addition, the Group's supply chain, where relevant, must also comply with the same regulatory requirements and OHS KPIs and targets set by WCT.

Beyond regulatory compliance, WCT is guided by its Group OHS Policy as well as its OHS Commitments and targets as provided below:

Committed to fulfilling legal and other requirements.	Strive towards ZERO life loss at all workplaces.	Committed to the protection of environment, including prevention of pollution	Continual improvement in OHS Management System.
Committed to prevent, control, guard and eliminate hazards and reduce occupational, health and safety risks.	Committed to provide safe and healthy working conditions for the prevention of work related injury and ill health.	Committed to consultation and participation of employees as well as awareness building among employees and external parties.	Pledge to provide appropriate information, training, instruction and supervision in all aspects of occupational health and safety.

SUSTAINABILITY STATEMENT
cont'd

BUSINESS DIVISION SITE CERTIFICATION

As at end FY2021, following are the Group's OHS and other certifications by business divisions:

Business Unit	Certification	Description
Engineering and Construction Division	ISO 9001:2015	Quality Management System ("QMS")
	ISO 45001:2018	Occupational Health and Safety Management System ("OHSMS")
	ISO 14001:2015	Environmental Management System ("EMS")
Property Development Division	ISO 9001:2015	Quality Management System ("QMS")
	ISO 45001:2018	Occupational Health and Safety Management System ("OHSMS")

WORKER REPRESENTATION ON JOINT HEALTH AND SAFETY COMMITTEES

As part of the stakeholder inclusive approach practiced by WCT, all established OHS committees have strong employee representation, which also includes 3rd party workers.

Through this approach, WCT has achieved more than sufficient worker representation on joint management-worker health and safety committees.

Specifically, the Property Development Division has emphasised the importance of non-managerial workers' consultation and participation within the OHS management system.

Appropriate selection of staff representation from various departments or operational sites have been established in ensuring fair representation, involvement and participation, towards enabling optimal sharing of knowledge, especially in hazard identification, risk assessment and determination of control actions.

Prior to Management making decisions, feedback from workers is always solicited. The collective approach is always used towards ensuring workers have had a role in determining their work conditions.

Workers from all levels are encouraged to report any hazardous situation that they come across, including any unsafe acts or conditions at worksites. This enables preventive rather than corrective action to avert any untoward incidents.

SUSTAINABILITY STATEMENT
cont'd

HAZARD IDENTIFICATION, RISK ASSESSMENT AND RISK CONTROL

Across the Group, WCT practices the Hazard Identification, Risk Assessment & Risk Control ("HIRARC") methodology to ensure that risks are identified, mitigated and reduced, if not eliminated. Workplace inspection and internal audits are regularly conducted at all operational sites. Performance is assessed against set targets and the previous year's level of achievement.

In FY2021, the following operational locations and processes have been deemed as having higher risk for an OHS incident:

ENGINEERING AND CONSTRUCTION

- Working at height
- Confined space
- Hot work activities
- Lifting
- Scaffolding
- Formwork
- Working by road side or high traffic area

PROPERTY DEVELOPMENT

- Working at height and confined spaces
- Deep excavation works
- Heavy lifting
- Scaffold / temporary structure installation
- Working at building edges
- Formwork installation

RETAIL MALLS AND HOTELS

- Robbery
- Malfunction of equipments (Elevators and Escalators)
- Slip & fall incidents
- Fire / exposion
- Food poisoning
- Bomb threat
- Structure collapse
- Cuts during handling of sharp equipments

BUSINESS AVIATION

- Spillage of sanitary waste
- Hydraulic oil spill
- Airside accident and incident during pushback and towing

INCIDENT INVESTIGATION AND RESOLUTION

When an OHS incident occurs, investigation activities are initiated soonest to determine the underlying factors behind the incident. All incidents, even incidents deemed minor or non-disruptive to business operations are thoroughly investigated with the investigation report submitted to the respective authority.

Using a lesson learnt approach, the key insight from the incident is shared to all relevant teams and employees Group-wide towards preventing a reoccurrence.

FY2021 OHS INCIDENTS

WCT has always implemented safety measures as stipulated by law and its Groupwide QESH policy. This has led to the Group maintaining an annual Incident Rate of below 0.001. However, despite continued stringent efforts to prevent or reduce the possibility of OHS incidents, we saw two fatal incidents at operational sites in FY2021. Immediate action was taken including lodging reports to the authorities and launching joint investigations involving DOSH.

In ensuring a thorough investigation process, WCT involved relevant subcontractors' in ascertaining the root cause as well as events that transpired. Insights and learnings have been tapped to strengthen the safety culture and SOPs at all operational sites. Relevant training programmes have been intensified towards ensuring stringent compliance at all construction sites at all times. The HIRADCs for all sites have also been reviewed and strengthened.

Lessons learnt have been shared with all project sites through Safety & Health Coordination Meetings. A sustainable OHS solution is being emphasised through OHS strategies and key focus areas, where the 'Zero Fatality' target is the key performance indicator as we move forward into FY2022.

OHS PROGRAMMES AND TRAINING

WCT continues to provide both mandatory as well as additional health and safety related training for relevant staff and workers. Training includes proper usage of equipment, especially heavy equipment such as forklifts, training on COVID-19 SOP, first aid and firefighting drills and proper storage and disposal of wastes.

SUSTAINABILITY STATEMENT
cont'd

Following are WCT's OHS training statistics for FY2021:

Division	No. of Employees Attended	Trained - Man hours
Engineering and Construction	64	874
Property Development and Property Investment and Management	2323	3957.8

OHS PERFORMANCE

Engineering and Construction	2019	2020	2021
Number of Active Sites/ Offices	16	14	12
Total Hours Worked (Millions)	17,099,714	14,784,657	19,272,036
Absolute number of fatalities	0	0	2
Number of LTI / Accident with lost workdays	0	2	5
LTI Frequency Rate (Number of lost-time injury cases per 1 million-man hours worked)	0	0.1353	0.2594
Injury Rate/ Frequency Rate Number of recordable incidents (LTI, Medical Treatment Case & First Aid) multiplied by 1 million per manhours worked	1.1696	0.5411	0.4151
Lost Day Rate/ Severity Rate Number of lost workdays multiplied by 1 million per manhours worked	0	1.9615	630.9660

Note:
i Total Hours Worked for 2019 restated to include hours for offices.
ii) Injury and Severity Rate recalculation using new parameters / 1,000,000 manhours

Property Development	2019	2020	2021
Number of Active Sites/ Offices	9	9	12
Total Hours Worked (Millions)	1,505,775	1,679,149	1,845,696
Absolute number of fatalities	0	0	0
Number of LTI / Accident with lost workdays	0	0	0
LTI Frequency Rate (Number of lost-time injury cases per 1 million-man hours worked)	0	0	0
Injury Rate/ Frequency Rate Number of recordable incidents (LTI, Medical Treatment Case & First Aid) multiplied by 1 million per manhours worked	0	1.7866	0
Lost Day Rate/ Severity Rate Number of lost workdays multiplied by 1 million per manhours worked	0	0	0

Note:
i) Injury and Severity Rate recalculation using new parameters / 1,000,000 manhours

DATA PRIVACY

Given WCT's business model, the Group manages large amounts of data from customers and other stakeholders. In managing such data, WCT adheres to the Personal Data Protection Act ("PDPA 2010"). All personal data such as demographics, income level and contract details are treated with the strictest confidentiality and is only collected with the full consent of the data owner.

All collected data is safeguarded by robust security systems and is only accessible for internal use by the intended party for specific purposes. Data is not shared with third parties except by law enforcement agencies.

There have been zero cases of data breach throughout WCT's operations.

SUSTAINABILITY STATEMENT
cont'd

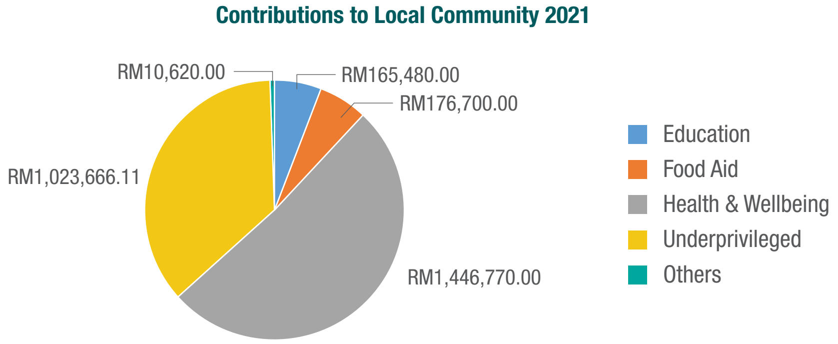
LOCAL COMMUNITY DEVELOPMENT AND EMPOWERMENT

WCT aspires to continue creating and distributing value to its diverse stakeholders. One of the strategies is to support community programmes and initiatives across the country. These comprise one-off financial and non-financial contributions as well as support and assistance rendered to medium to longer term programmes.

It is intended that beyond corporate social responsibility (CSR) based activities, WCT's interaction with local communities is to create sustainable, positive outcomes that deliver meaningful and lasting benefits to society, especially local communities.

In line with selected UNSDGs, WCT in partnership with local NGOs and government ministries and agencies, participates in and supports a wide range of community-based programmes and engagements such as promotion of health and well-being, support for disaster relief efforts, assistance to food banks and contributions to the underprivileged members of society.

The total contribution made in FY2021 for charitable causes stands at RM2.82 million. This includes RM1.87 million provided for a wide range of community-based programmes. Among aid provided included food aid as well as distribution and donation of face masks.



INITIATIVES IN 2021

BLOOD DONATION DRIVES AT WCT MALLS

WCT responded to the call to replenish dwindling blood supplies by organising 20 blood donation drives at its malls. Over 1,331 pints of blood were collected in total.

SPREADING JOY DURING CHINESE NEW YEAR

For Chinese New Year, New World Petaling Jaya Hotel visited Persatuan Kebajikan Warga Emas Kenang Budi, Kuala Lumpur. Residents were served salmon Yee Sang and traditional Poon Choy and the hotel also donated bedding and personal hygiene items. Another beneficiary was the Seed of Hope, drug rehabilitation centre in PJ Old Town that also received donations in cash and kind from New World Hotel.

SUSTAINABILITY STATEMENT
cont'd

ANNUAL BUBUR LAMBUK DISTRIBUTION

During Ramadan, Première Hotel distributed 1,500 containers of Bubur Lambuk to firefighters, police officers, doctors and nurses in Hospital Tengku Ampuan Rahimah, Klang and Manipal Hospitals Klang, government authorities, worshippers at the nearby mosque and corporate clients.

IFTAR MEALS FOR THE UNDERPRIVILEGED

In the spirit of sharing and giving during the holy month of Ramadan, Première Hotel invited five underprivileged families from Kampung Jawa, Klang for a buka puasa or breaking of the fast event at the hotel's Ramadan buffet. This was followed by the hotel's distribution of necessities and duit raya to the families.

FEEDING THE NEEDY

From 21 August to 31 December 2021, Paradigm Mall, Petaling Jaya, alongside Kechara Soup Kitchen, organised a Food Bank Drive to provide necessities and food supplies to underprivileged communities affected by the pandemic. More than 20 households benefitted from this programme, receiving more than RM2,000 worth of essentials donated by the public. In addition, Paradigm Mall, Johor Bahru has a long-term partnership with Food Bank Ji Shan, where the mall designates a venue for shoppers to donate dry sundry goods.

PROVIDING FOOD AID TO NEEDY FAMILIES THROUGHOUT 2021

WCT contributed over 4,000 food packs to several food banks as part of our CSR efforts to help needy B40 families get through the challenging pandemic. The aid was channeled to the Food Relief Project by Food Aid Foundation, Kementerian Wilayah Persekutuan's COVID-19 Food Basket programme, BBT One The Towers tenant food aid programme and Ranau Chinese Chamber of Commerce (RCCC).

APPRECIATION BENTOS FOR FRONTLINERS

'Adopt A Bento' meal donation drives were launched by Paradigm Mall, Johor Bahru and gateway@klia2 to express appreciation to Malaysia's heroic medical frontliners in conjunction with Merdeka and Malaysia Day. Shoppers contributed to the initiative by 'adopting' a Bento for just RM10, allowing them to write their own thank you messages on a gift card for the frontliners. Paradigm Mall, Johor Bahru delivered 600 Bento box sets to medical frontliners at Hospital Sultanah Aminah, Johor Bahru on 31 August and 1 September 2021. On 16 September 2021, gateway@klia2 delivered 100 sets of Bento boxes to medical frontliners at Hospital Putrajaya.

SUSTAINABILITY STATEMENT
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LENDING A HAND TO GURDWARA SAHIB'S FLOOD RELIEF PROGRAMME

WCT contributed to flood relief efforts by providing transport and manpower to deliver necessities to those affected by the flood in Sri Muda, Shah Alam.

CLEANING UP AFTER THE FLOODS

WCT's Engineering and Construction Division lent expertise and machinery to help clean and restore areas in Seksyen 13, Shah Alam and Johan Setia which were severely affected in the December 2021 floods.

ENSURING ACCESS FOR THE DISABLED

All WCT projects and relevant operational sites are built with access provided to physically disabled individuals. Be it property developments or shopping malls, access and facilities for the disabled are provided. These include wheelchair ramps, disabled car park bays, easy-access lift buttons, disabled toilets and more.

The inclusive approach also extends to the provision of dedicated Ladies Only parking bays as well as various child-friendly features in all malls.

The latest efforts in enabling better accessibility include the design of light switches at a lower height to enable easier reach at the Paradigm Residence, Johor Bahru, The Maple Residences as well as future developments. Our projects developed under the Rumah Selangorku programme, namely Azaria, Asteria and Aronia Apartments are designed with a minimum of two residential units per block for people with disabilities ("OKU").

Disabled-friendly access at WCT's developments and dedicated ladies parking bays at the malls

SUSTAINABILITY STATEMENT
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GRI CONTENT INDEX

GRI Standard	Disclosure	Page number(s) and/or URLS	Referenced Section
GRI 101: Foundation 2016			
General Disclosures			
GRI 102: General Disclosures 2016	**Organizational profile**		
	102-1 Name of the organization	Report cover	
	102-2 Activities, brands, products, and services	Page 4-5	Core Businesses And Operating Units
	102-3 Location of headquarters	Page 6	Corporate Information
	102-4 Location of operations	Page 7	Corporate Profile
	102-5 Ownership and legal form	Page 6	Corporate Information
	102-6 Markets served	Page 7	Corporate Profile
	102-7 Scale of the organization	Page 4-5	Core Businesses And Operating Units
	102-8 Information on employees and other workers	Page 81, 82-84	Talent Management: Promoting An Equal Opportunity Workplace And Gender / Ethnic Diversity, Workforce Demographic Data, Percentage Of Foreign VS Local Workers / Employees (Group)
	102-9 Supply chain	Page 58, 60, 80	Safeguarding Employees And The Supply Chain, Supporting Local Procurement And Local Supply Chains, Environmental And Social Performance Across The Supply Chain
	102-10 Significant changes to the organization and its supply chain	No Significant Changes To The Organisation And / Or Its Supply Chain In The Reporting Year.	
	102-11 Precautionary Principle or approach	Page 50-51, 117	Material Matters, Statement Of Risk Management And Internal Control
	102-12 External initiatives	Page 38	WCT Subscribes To A Wide Range Of External Initiatives Through Its Membership And Partnerships In Industry Bodies And Professional Associations.
	102-13 Membership of associations	Page 38	Membership In Associations
	Strategy		
	102-14 Statement from senior decision-maker	Page 46	Message From The Group Executive Director
	102-15 Key impacts, risks, and opportunities	Page 46, 50-51, 41-45, 63	Message From The Group Executive Director, Material Matters, Supporting The United Nations Sustainable Development Goals, Climate Change: Risks And Opportunities
	Ethics And Integrity		
	102-16 Values, principles, standards, and norms of behavior	Page 53-54	Ethical Business Conduct And Corporate Integrity
	102-17 Mechanisms for advice and concerns about ethics	Page 53-54, 56	Ethical Business Conduct And Corporate Integrity, Whistleblowing Mechanism And Reported Corruption Cases
	Governance		
	102-18 Governance structure	Page 51-52	Sustainability Governance Structure
	102-19 Delegating authority		
	102-20 Executive-level responsibility for economic, environmental, and social topics		
	102-21 Consulting stakeholders on economic, environmental, and social topics	Page 47-50	Stakeholder Engagement
	102-22 Composition of the highest governance body and its committees	Page 51-52, 106-110	Sustainability Governance Structure, Corporate Governance Overview Statement

SUSTAINABILITY STATEMENT
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GRI Standard	Disclosure	Page number(s) and/or URLS	Referenced Section
GRI 101: Foundation 2016			
General Disclosures			
GRI 102: General Disclosures 2016	**Governance**		
	102-23 Chair of the highest governance body	Page 104	Corporate Governance Overview Statement
	102-24 Nominating and selecting the highest governance body		
	102-25 Conflicts of interest		
	102-26 Role of highest governance body in setting purpose, values, and strategy	Page 51-52	Sustainability Governance Structure
	102-27 Collective knowledge of highest governance body	Page 106-110	Corporate Governance Overview Statement, Corporate Governance Report
	102-28 Evaluating the highest governance body's performance	Page 110	Corporate Governance Overview Statement, Corporate Governance Report
	102-29 Identifying and managing economic, environmental, and social impacts	Page 50-51	Material Matters
	102-30 Effectiveness of risk management processes	Page 50-52, 54, 117	Material Matters, Statement Of Risk Management And Internal Control
	102-31 Review of economic, environmental, and social topics	Page 50-51	Material Matters
	102-32 Highest governance body's role in sustainability reporting	Page 51-52	Sustainability Governance Structure
	102-33 Communicating critical concerns	Page 50-51	Material Matters
	102-34 Nature and total number of critical concerns		
	102-35 Remuneration policies	Page 111	Corporate Governance Overview Statement
	102-36 Process for determining remuneration		
	102-37 Stakeholders involvement in remuneration		
	102-38 Annual total compensation ratio	No Disclosure Provided On Compensation Ratios Due To Consideration Given To Ensure Confidentiality Of Remuneration, Notably In A Highly Competitive Talent Environment.	
	102-39 Percentage increase in annual total compensation ratio		
	Stakeholder Engagement		
	102-40 List of stakeholder groups	Page 47-49	Stakeholder Engagement: Stakeholder Engagement Table
	102-41 Collective bargaining agreements	Page 81-82	Employee Rights
	102-42 Identifying and selecting stakeholders	Page 47-49	Stakeholder Engagement: Stakeholder Engagement Table
	102-43 Approach to stakeholder engagement		
	102-44 Key topics and concerns raised		
	Reporting Practice		
	102-45 Entities included in the consolidated financial statements	Page 148	Notes To The Financial Statements
	102-46 Defining report content and topic Boundaries	Page 36-37	About This Report: Scope & Material Boundary
	102-47 List of material topics	Page 50-51	Material Matters
	102-48 Restatements of information	Page 47-49	Stakeholder Engagement: Stakeholder Engagement Table
	102-49 Changes in reporting	No Major Changes In Approach To Reporting.	

SUSTAINABILITY STATEMENT
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GRI Standard	Disclosure	Page number(s) and/or URLS	Referenced Section
GRI 101: Foundation 2016			
General Disclosures			
GRI 102: General Disclosures 2016	**Reporting Practice**		
	102-50 Reporting period	Page 36	About This Report: Reporting Period
	102-51 Date of most recent report		
	102-52 Reporting cycle		
	102-53 Contact point for questions regarding the report	Page 39	About This Report: Report Availability And Feedback
	102-54 Claims of reporting in accordance with the GRI Standards	Page 36	About This Report: Applied Frameworks
	102-55 GRI content index	Page 94-102	Provided At The End Of The FY2021 Sustainability Report
	102-56 External assurance	Page 38	About This Report: Assurance
Material Topics			
GRI 200 Economic Standard Series			
Economic Performance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 58-60	Economic Contribution To Stakeholders
	103-2 The management approach and its components	Page 14-16, 58-62	Management Discussion And Analysis, Economic Contribution To Stakeholders
	103-3 Evaluation of the management approach	Page 12-22, 58-60	Management Discussion And Analysis, Economic Contribution To Stakeholders: Economic Value Created And Distributed For Stakeholders
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Page 58-60	Economic Contribution To Stakeholders, Economic Performance: Economic Value Created And Distributed For Stakeholders
	201-2 Financial implications and other risks and opportunities due to climate change	Page 62-63	Climate Change And Emissions: Climate Change: Risks And Opportunities
	201-3 Defined benefit plan obligations and other retirement plans	Page 85-86	Talent Management: Employee Remuneration And Employment Benefits
	201-4 Financial assistance received from government	The Group Has Not Received Any Form Of Financial Assistance, Waivers Or Subsidies From The Government, Save For COVID-19 Related Incentives / Stimulus As Provided To All Industry Players.	
Market Presence			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 7, 12-22	Corporate Profile, Management Discussion And Analysis
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	Page 81-82, 82-84	Talent Management: Promoting An Equal Opportunity Workplace And Gender / Ethnic Diversity, Workforce Demographic Data, Percentage Of Foreign VS Local Workers / Employees (Group)

SUSTAINABILITY STATEMENT
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GRI Standard	Disclosure	Page number(s) and/or URLS	Referenced Section
GRI 200 Economic Standard Series			
Indirect Economic Impacts			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 61	Economic Performance: Supporting Local Community Infrastructure And Services
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported		
	203-2 Significant indirect economic impacts		
Procurement Practices			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 60	Economic Performance: Supporting Local Procurement And Local Supply Chains
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers		
Anti-corruption			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 54-55	Sustainability Governance: Strong Anti-Bribery And Anti-Corruption Stance
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 55	Sustainability Governance: Identification Of Operations With Possible Higher Risk For Corruption
	205-2 Communication and training about anti-corruption policies and procedures	Page 55	Sustainability Governance: Anti-Corruption Training
	205-3 Confirmed incidents of corruption and actions taken	Page 56	Whistleblowing Mechanism And Reported Corruption Cases
GRI 300 Environmental Standards Series			
Materials			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 65, 70-71	Environmental Performance: Addressing Environmental Impacts Using Circular Economy Principles, Addressing Environmental Impact Through Digital Solutions, Resource Consumption
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Page 70-71	Environmental Performance: Resource Consumption
	301-2 Recycled input materials used	Page 73-75	Environmental Performance: Waste Management

SUSTAINABILITY STATEMENT
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GRI Standard	Disclosure	Page number(s) and/or URLS	Referenced Section
GRI 300 Environmental Standards Series			
Energy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 66	Environmental Performance: Energy Consumption
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 68-70	Energy Consumption: Energy Performance Data
	302-2 Energy consumption outside of the organization		
	302-3 Energy intensity		
	302-4 Reduction of energy consumption		
	302-5 Reductions in energy requirements of products and services	Page 67	Energy Consumption: Energy Saving Measures Undertaken By Business Divisions
Water			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 71-73	Environmental Performance: Water Consumption And Management
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 303: Water 2016	303-1 Water withdrawal by source		
	303-2 Water sources significantly affected by withdrawal of water		
	303-3 Water recycled and reused		
Biodiversity			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 76	Environmental Performance: Biodiversity
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		
	304-2 Significant impacts of activities, products, and services on biodiversity	No significant biodiversity impacts reported in FY2021.	
Emissions			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 62-63	Environmental Performance: Climate Change And Emissions
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 69-70	Climate Change And Emissions: Emissions Data
	305-2 Energy indirect (Scope 2) GHG emissions		
	305-4 GHG emissions intensity		
	305-5 Reduction of GHG emissions		

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GRI Standard	Disclosure	Page number(s) and/or URLS	Referenced Section
GRI 300 Environmental Standards Series			
Effluents and Waste			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 73-75	Environmental Performance: Waste Management
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 306: Effluents and Waste 2016	306-1 Water discharge by quality and destination	Page 73-75	Environmental Performance: Waste Management
	306-2 Waste by type and disposal method		
	306-5 Water bodies affected by water discharges and/or runoff	Page 76-80	Environmental Performance: Environmental Monitoring And Protection
Environmental Compliance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 76-80	Environmental Performance: Environmental Monitoring And Protection
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations		
Supplier Environmental Assessment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 80	Environmental Monitoring And Protection: Environmental And Social Performance Across The Supply Chain
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 400 Social Standards Series			
Employment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 81	Social Performance: Talent Management
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 82-83	Talent Management: Workforce Demographic Data
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 85-86	Talent Management: Employee Remuneration And Employment Benefits
	401-3 Parental leave		

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GRI Standard	Disclosure	Page number(s) and/or URLS	Referenced Section
GRI 400 Social Standards Series			
Labor/Management Relations			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 81-82	Talent Management: Employee Rights
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes		
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 86	Occupational Health And Safety ("OHS"): OHS Approach
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 403: Occupational Health and Safety 2016	403-1 Workers representation in formal joint management-worker health and safety committees	Page 88	Occupational Health And Safety ("OHS"): Worker Representation On Joint Health And Safety Committees
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Page 90	Occupational Health And Safety ("OHS"): OHS Performance
Training and Education			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 84-85	Social Performance: Employee Learning And Growth
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee		
	404-3 Percentage of employees receiving regular performance and career development reviews		
Diversity and Equal Opportunity			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 82	Talent Management: Promoting An Equal Opportunity Workplace And Gender / Ethnic Diversity
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 53	Sustainability Governance: Board Composition

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GRI Standard	Disclosure	Page number(s) and/or URLS	Referenced Section
GRI 400 Social Standards Series			
Non-discrimination			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 82	Talent Management: Promoting An Equal Opportunity Workplace And Gender / Ethnic Diversity
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken		
Freedom of Association and Collective Bargaining			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 81	Talent Management: Employee Rights
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
Child Labor			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 81	Social Performance: Talent Management
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
Forced or Compulsory Labor			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 81	Social Performance: Talent Management
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
Local Communities			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 61, 91-93	Economic Performance: Supporting Local Community Infrastructure And Services, Local Community Development And Empowerment
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs		
	413-2 Operations with significant actual and potential negative impacts on local communities		

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GRI Standard	Disclosure	Page number(s) and/or URLS	Referenced Section
GRI 400 Social Standards Series			
Public Policy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 56	Sustainability Governance: Political Position And Political Contributions
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 415: Public Policy 2016	415-1 Political contributions		
Customer Health and Safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 62	Economic Performance: Product Safety & Quality
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		
Marketing and Labeling			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 62	Economic Performance: Product Safety & Quality
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling		
	417-3 Incidents of non-compliance concerning marketing communications		
Customer Privacy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 90	Economic Performance: Data Privacy
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		
Socioeconomic Compliance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 81	Social Performance
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area		

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") of WCT Holdings Berhad ("WCT" or "the Company") recognises the importance of practising good corporate governance and is committed to applying applicable principles and recommendations as set out in the Malaysian Code on Corporate Governance 2021 ("the Code") and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") throughout the operations and management of WCT and its subsidiaries ("the Group") so as to enhance the value to our shareholders and other stakeholders as well as to generate long term sustainability and growth.

This statement is made pursuant to the MMLR of Bursa Securities and is to be read together with the Corporate Governance ("CG") Report for the application of three key principles set out in the Code and good corporate governance practices by the Company during the financial year ended 31 December 2021 and up to the date of the statement. The CG Report is available on the website of Bursa Securities together with the Company's Annual Report 2021 and is also posted on the Company's website (www.wct.com.my).

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

➢ *ROLES AND RESPONSIBILITIES*

The Group is led by a sound and experienced Board which plays an important role in the stewardship of its direction and operations. It focuses mainly on strategies, financial performance and critical business issues, including the following specific areas to ensure that the governance of the Group is consistently maintained:

- Reviewing business plans and direction of the Group
- Overseeing the Group's strategic action plans
- Identifying principal risks and implementing appropriate internal control system
- Approving acquisition and divestment policy and major investment decisions
- Monitoring the performance of the Management and the Group's principal businesses
- Upholding high standards of conduct or ethics and promote good corporate governance culture within the Group

The Board also adopts a well-defined framework on the various categories of matters that require the Board's approval, endorsement or notation, as the case may be. The Board is supported by the Group Managing Director, Executive Directors and the Management, whose responsibilities are to implement the Group's strategies and manage the operations of the Group, subject to certain prescribed authority limits.

Where appropriate, matters have been delegated to the following Board Committees, all of which have written terms of reference to assist the Board in discharging its duties and responsibilities. The Board receives the reports of their proceedings and deliberations at its scheduled Board Committees meetings:

(1) Audit Committee
(2) Board Risk & Sustainability Committee
(3) Nomination & Remuneration Committee
(4) Options Committee

The Board Charter, which is made available for reference on the Company's website at (www.wct.com.my), sets out the roles, responsibilities, functions, compositions, processes and operations of the Board as well as those functions delegated to the Board Committees and the Management of the Group and has been adopted to guide the Board to discharge its roles and responsibilities effectively.

➢ *CODE OF CONDUCT*

In addition to the Board Charter, the Board also observes the Code of Ethics for Company Directors and employees. The Code of Ethics for Company Directors provides the ground rules and guidance for proper standard of conduct and ethical behaviour for the Board and its members, based on the principles of sincerity, integrity, responsibility and corporate social responsibility whilst a standard Code of Conduct and Ethics relating to its business operations has been adopted by the Group for all its employees. New employees are briefed on the said Code of Ethics upon joining and are required to acknowledge in writing their acceptance and understanding thereof.

As part of the Company's commitment against all forms of bribery and corruption, the Company has put in place the Anti-Bribery and Anti-Corruption ("ABAC") Policy and Standard Operating Procedures ("SOP") to prohibit the bribery or corrupt acts by any director, employee or persons performing services for the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

➢ ***CODE OF CONDUCT*** *cont'd*

The Company's Whistleblowing Policy and Procedures serve to provide an avenue and mechanism for any individual to report any concerns they may have on any suspected and/or known improper conducts, wrongdoings, corruption, fraud and/or abuse in accordance with the procedures as provided therein.

The Code of Ethics for Company Directors and employees, ABAC Policy and the Whistleblowing Policy are made available for reference on the Company's website at (www.wct.com.my).

➢ ***BOARD COMPOSITION AND BALANCE***

Currently, the Board comprises ten (10) members, made up of five (5) Executive Directors including the Executive Chairman, the Group Managing Director, two (2) Deputy Managing Directors, an Executive Director, and five (5) Independent Non-Executive Directors.

Each of the Director's profile is presented under the section titled "Profile of Directors" in the Company's Annual Report 2021.

The current Board composition, half of which consists of Independent Directors, fully complies with the MMLR of Bursa Securities which requires at least two (2) directors or one-thirds (1/3) of the Board members (whichever is the higher) to be Independent Directors.

In addition to the Executive Directors who have day-to-day responsibilities for the Group's operations, the Independent Non-Executive Directors also play an important role in ensuring corporate governance and accountability are being upheld, as they provide unbiased and independent views, advice, opinions and judgments as well as provide effective check and balance in the functioning of the Board to safeguard the interests, not only of the Group but also that of the minority shareholders, employees, customers, suppliers and the communities in which the Group conducts its businesses. The Board is satisfied that the current Board composition adequately reflects the interests of the minority shareholders of the Company.

The Independent Non-Executive Directors are also actively involved in the various Board Committees. They provide broader views, independent assessments and opinions on management proposals, including any related party transactions entered into by the Group.

The role of the Chairman and the Group Managing Director of the Company are held by different individuals and their respective duties are set out in the Board Charter of the Company.

To commit in encouraging diversity, including gender diversity, and to align with the updated practices under the Code, the Board had on 12 October 2021 adopted the Board and Senior Management Diversity Policy ("Diversity Policy"). The Board supports the Government's aspiration to achieve at least 30% women directors on the board of public listed companies. Where new appointments are to be made to the Board or on replacement of a Director on the Board, priority will be given to suitable women candidates to achieve at least 30% women directors on the Board. Currently, Puan Rahana Binti Abdul Rashid is the only woman director sitting on the Board.

The Diversity Policy which is embedded in the Board Charter is made available for reference at (www.wct.com.my).

The Board has reviewed and is satisfied that its current size and composition provide an effective blend of entrepreneurship, business and professional expertise in general management, finance and technical areas of the industries in which the Group is involved. The mixture of skills and experience is vital to the continued success and future direction of the Group.

➢ ***SUPPLY OF AND ACCESS TO INFORMATION***

All scheduled Board and Board Committee meetings held during the financial year were preceded by a formal agenda issued by the Company Secretary in consultation with the Chairman of the meetings. The agenda for each of the meetings are accompanied by the minutes of preceding meetings of the Board and Board Committees and may include reports on group financial performance, operational performance of its business units including overall quality and delivery of products and services, market analysis, quarterly results for announcements, internal audit and risk management reports, updates on the Group's sustainability programmes and initiatives, updates on material litigations and other relevant information. The Board papers/meeting materials, which are generally shared with and uploaded electronically five (5) business days before the meetings for timely and easy access by the Board and Board Committee members, are comprehensive and encompass all aspects of the matters being considered, enabling the Board to look at both quantitative and qualitative factors so that informed decisions may be made.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

➢ ***SUPPLY OF AND ACCESS TO INFORMATION*** *cont'd*

The Company Secretaries would also brief the Board on the proposed contents and timing of any material announcements by the Company before the same are released to Bursa Securities for public dissemination. The Board always has access to the advice and services of the Company Secretaries especially relating to the procedural and regulatory requirements such as companies and securities laws, corporate governance matters and the MMLR of Bursa Securities.

In addition to the above, the Board has full and unrestricted access to the advice and services of the Management and to obtain all necessary external and independent professional advice, when required, at the Company's expense.

➢ ***COMMITMENT OF THE BOARD***

The Board is satisfied with the level of time committed by the Board in discharging their respective duties and roles as Directors of the Company. The time commitment of the Directors was demonstrated by the attendance of the Board and Board Committees meeting during the financial year 2021. All the Directors of the Company have complied with the MMLR of Bursa Securities on the maximum number of directorships which they can hold in public listed companies.

An annual corporate meetings calendar is prepared in advance and sent to the Board before the beginning of every year which provides the scheduled meeting dates for the Board, Board Committees, the annual general meeting ("AGM") and trainings/seminars to be organised by the Company.

The Board meets at least four (4) times a year, with additional meetings to be convened as and when necessary. Issues deliberated at such meetings and the relevant decisions made are duly minuted by the Company Secretary. During the financial year ended 31 December 2021, a total of five (5) Board meetings were held where details of the attendance of the Directors at the Board Meetings are as follows:

Directors	Number of Board meetings attended in 2021
Tan Sri Lim Siew Choon	5/5
Dato' Lee Tuck Fook	5/5
Chow Ying Choon	5/5
Goh Chin Liong	5/5
Liang Kai Chong	5/5
Tan Sri Marzuki Bin Mohd Noor	5/5
Datuk Ab Wahab Bin Khalil	5/5
Dato' Ng Sooi Lin	5/5
Ng Soon Lai @ Ng Siek Chuan	5/5
Rahana Binti Abdul Rashid	5/5

In the intervals between scheduled Board meetings, for any exceptional matters requiring urgent Board decisions, Board approvals may be sought either via circular resolutions which are attached with sufficient and relevant information required for an informed decision to be made or via ad-hoc Board meetings to be convened. Where a potential conflict of interests arises in the Group's investments, projects or any transactions involving any of the Directors or persons deemed connected to him/her, such Director is required to declare his/her interest and abstain from further deliberation and the decision-making process.

➢ ***DIRECTORS' TRAINING***

All the Directors have attended the Mandatory Accreditation Programme organised by Bursa Securities. The Directors will continue to undergo other appropriate training programmes to further enhance their knowledge and skills and to keep abreast with new developments within the industry.

Aside from the annual assessment conducted to assess the training needs of the Directors, each Director may also identify any appropriate training that enhances their effectiveness in discharging their duties as directors. The Company Secretary facilitates the organisation of in-house training programmes as well as registration for external training programmes and seminars, if needed.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

➢ ***DIRECTORS' TRAINING*** *cont'd*

During the financial year ended 31 December 2021, the Directors of the Company have attended the following training programmes:

Tan Sri Lim Siew Choon
- Corporate Directors Summit 2021 - Governance 4.0 (17 August 2021)

Dato' Lee Tuck Fook
- WIEF-SIDC PowerTalk Webinar 2021 - Post Pandemic Economic Landscape: Building Resilient Industries (7 April 2021)
- Digital Acceleration & Innovation for Business Recovery & Growth (14 April 2021)
- Board & Audit Committee Priorities 2021 (7 May 2021)
- Directors' Training - Malaysian Code on Corporate Governance 2021 (6 August 2021)

Chow Ying Choon
- Corporate Directors Summit 2021 - Governance 4.0 (17 August 2021)

Goh Chin Liong
- Corporate Directors Summit 2021 - Governance 4.0 (17 August 2021)

Liang Kai Chong
- Webinar on Securities Commission Guidelines on the conduct of Directors of listed corporations and their subsidiaries (28 September 2021)

Tan Sri Marzuki Bin Mohd Noor*
- Corporate Directors Summit 2021 - Governance 4.0 (17 August 2021)
- Webinar on Securities Commission Guidelines on the conduct of Directors of listed corporations and their subsidiaries (28 September 2021)
- Securities Commission's Audit Oversight Board Conversation with Audit Committees (6 December 2021)

Datuk Ab Wahab Bin Khalil*
- Corporate Directors Summit 2021 - Governance 4.0 (17 August 2021)
- Webinar on Securities Commission Guidelines on the conduct of Directors of listed corporations and their subsidiaries (28 September 2021)
- The Asset and Facility Management Conference (AFMC 2021) (9 & 10 November 2021)
- Securities Commission's Audit Oversight Board Conversation with Audit Committees (6 December 2021)

Dato' Ng Sooi Lin*
- Webinar on Securities Commission Guidelines on the conduct of Directors of listed corporations and their subsidiaries (28 September 2021)
- Securities Commission's Audit Oversight Board Conversation with Audit Committees (6 December 2021)

Ng Soon Lai @ Ng Siek Chuan*
- BNM-FIDE Forum Dialogue: The Future of Malaysia's Financial Sector (9 June 2021)
- BNM-FIDE Forum Dialogue on RMiT Implementation (8 July 2021)
- Webinar on MFRS 17 (10 September 2021)
- Sustainability Training by Climate Governance Malaysia (8 November 2021)

Puan Rahana Binti Abdul Rashid*
- Corporate Directors Summit 2021 - Governance 4.0 (17 August 2021)
- Webinar on Securities Commission Guidelines on the conduct of Directors of listed corporations and their subsidiaries (28 September 2021)
- Securities Commission's Audit Oversight Board Conversation with Audit Committees (6 December 2021)

* Denotes a Director who is a member of the Audit Committee

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

➢ ***BOARD COMMITTEES***

(A) AUDIT COMMITTEE

The composition of the Audit Committee complies with the MMLR of Bursa Securities, including the requirement that all its members are non-executive directors, with independent non-executive directors forming the majority and one of the members being a qualified accountant.

The primary objective of the Audit Committee is to assist the Board of Directors in fulfilling its responsibilities relating to the Group's financial reporting and internal control systems. The Audit Committee's terms of reference are available at (www.wct.com.my) and activities during the financial year are disclosed in the Audit Committee Report found in the Company's Annual Report 2021.

The Audit Committee is able to obtain external professional advice and where necessary, invite external auditors/advisers/consultants with relevant experience to attend its meeting to provide opinions, viewpoints and clarifications.

(B) BOARD RISK & SUSTAINABILITY COMMITTEE

The Board Risk & Sustainability Committee ("BRSC") is to assist the Board in overseeing the risk management activities of the Group and approving appropriate risk management policies and risk appetite.

In addition, BRSC is also responsible for overseeing sustainability-related risks and ensuring sustainability considerations are incorporated into the Group's businesses and strategies so as to create value for its businesses and stakeholders as well as to support business continuity and competitiveness, in the longer term.

The BRSC comprises no fewer than three (3) members with a majority of them being independent directors of the Company. The current members of the BRSC are as follows:-

(i) Dato' Ng Sooi Lin
Chairman/Independent Non-Executive Director

(ii) Tan Sri Marzuki Bin Mohd Noor
Member/Independent Non-Executive Director

(iii) Datuk Ab Wahab Bin Khalil
Member/Independent Non-Executive Director

(iv) Rahana Binti Abdul Rashid
Member/Independent Non-Executive Director

The terms of reference, duties and responsibilities of the BRSC are available on the Company's website (www.wct.com.my).

The BRSC meets not less than four (4) times a year. In 2021, a total of five (5) meetings were held and details of the attendance of the BRSC members are as follows:

Name	Number of BRSC meetings attended in 2021
Dato' Ng Sooi Lin	5/5
Tan Sri Marzuki Bin Mohd Noor	5/5
Datuk Ab Wahab Bin Khalil	5/5
Rahana Binti Abdul Rashid	5/5

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

➢ ***BOARD COMMITTEES*** *cont'd*

(B) BOARD RISK & SUSTAINABILITY COMMITTEE *cont'd*

During the year under review, the BRSC reviewed and discussed the following:

(i) Risk Reports and Risk Registers of the Group's business operations;
(ii) the report on the Anti-Bribery and Anti-Corruption risk assessments;
(iii) a proposal on fund-raising exercise of the Company;
(iv) the assessment on the termination of the existing hotel management agreement and the proposed new franchise agreement for the New World Petaling Jaya Hotel;
(v) the risk exposures and assessment on the acquisition of 2 parcel of lands located in Inanam, Kota Kinabalu, Sabah and the acquisition of option to acquire the developments rights over parcels of land located in Lok Kawi, Sabah;
(vi) the proposed risk appetite for integration of Economic, Environmental and Social (EES) into the Risk Management Policy and Risk Management Framework;
(vii) the Group's sustainability initiatives and flagship programmes;
(viii) the programmes in embedding the sustainability into the WCT Group which include the materiality assessment on EES of WCT Group and the review of the Group's prioritised material matters;
(ix) the Statement on Risk Management and Internal Control and the Sustainability Statement for inclusion in the Annual Report 2020; and
(x) the appointment of the external consultant to advise on sustainability matters.

(C) NOMINATION & REMUNERATION COMMITTEE

The current members of the Nomination & Remuneration Committee ("NRC") consists entirely of Independent Non-Executive Directors, as follows:

(i) Datuk Ab Wahab Bin Khalil
Chairman/Independent Non-Executive Director

(ii) Tan Sri Marzuki Bin Mohd Noor
Member/Independent Non-Executive Director

(iii) Dato' Ng Sooi Lin
Member/Independent Non-Executive Director

The terms of reference, duties and responsibilities of the NRC are available on the Company's website (www.wct.com.my).

The NRC meets at least once a year and whenever required. In 2021, three (3) meetings were held and details of the attendance of the NRC members are as follows:

Name	Number of NRC meetings attended in 2021
Datuk Ab Wahab Bin Khalil	3/3
Tan Sri Marzuki Bin Mohd Noor	3/3
Dato' Ng Sooi Lin	3/3

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

➢ ***BOARD COMMITTEES*** *cont'd*

(C) NOMINATION & REMUNERATION COMMITTEE *cont'd*

During the financial year ended 31 December 2021, the NRC carried out the following activities:

(i) Reviewed the annual increment and bonuses of the employees of the Group;
(ii) Reviewed the annual increment and bonuses of all executive directors;
(iii) Conducted the annual assessment and evaluation of the Board as a whole, committees of the Board, the individual directors and the independence of the Independent Directors;
(iv) Conducted the annual review of the Board in respect of its size and the required mix of skills and experience;
(v) Reviewed and recommended the re-appointment of four (4) directors who are retiring by rotation and seeking for re-election at the 10th AGM;
(vi) Reviewed the re-employment of an Executive Director of the Company who will be reaching the age of 60 in year 2022 and his re-employment contract as well as the payment of his retirement benefit;
(vii) The termination of Policy on the retirement benefit for executive directors; and
(viii) Reviewed the salary adjustment for a Deputy Managing Director of the Company.

All recommendations of the NRC are subject to endorsements by the Board.

APPOINTMENTS AND RE-ELECTIONS TO THE BOARD

The NRC is responsible for assessing and making recommendations on any new appointments to the Board. Selection of new candidates to be considered for new appointment as director is facilitated through recommendations from the Board members, the Management and/or through independent sources. Prior to recommending the proposed candidate to the Board for its consideration, the NRC considers and assess the diverse set of skills, knowledge, professional/industry experience, gender, age, cultural and educational backgrounds, ethnicity and length of services of the proposed candidate in accordance with the Diversity Policy. As part of the process of appointing new Directors, the new Directors are provided an orientation programme in order to be familiar with the operations and organisational structure of the Group.

The Company's Constitution provides that the number of directors of the Company shall not be less than two (2) and not more than twenty (20). The Board has the power under the Company's Constitution to appoint a director from time to time either to fill a casual vacancy or as an additional director. Article 87 of the Company's Constitution provides that any director so appointed shall hold office only until the next following AGM and shall then be eligible for re-election at the said AGM.

For the re-election of Directors, Article 82 of the Company's Constitution requires that the number of Directors nearest to, but not greater than one-third retire by rotation each year and being eligible, may offer themselves for re-election at the AGM. The Directors who are required to retire are those who have been longest in office since their last election. In addition, all the directors are required to retire from office once at least every three (3) years but shall be eligible for re-election. This provides an opportunity for the shareholders to renew their mandates for the said Directors to continue to serve on the Board.

The Directors who are seeking re-election at the forthcoming 11th AGM are stated in the notice of the 11th AGM. The NRC has assessed the performance of these Directors and accordingly recommended to the Board for their re-election to be tabled for shareholders' approval at the forthcoming 11th AGM. The Board supported the re-appointment of the Directors who are seeking for re-election at the coming 11th AGM as they have provided their full contribution, commitment and participation towards the Group, their confidence to stand up for a point of view and always act in the best interest of the Group as a whole. In addition, the Independent Director who is seeking for re-election at the coming 11th AGM, do not have any position or relationship that might influence in a material respect his capacity to bring an independent judgement on issues before the Board and to act in the best interest of the Group.

The re-election of each director will be voted by way of separate shareholders' resolutions. To assist the shareholders in their decision, information such as the personal profile and shareholdings in the Group of each director standing for re-election are furnished in the Company's Annual Report 2021.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

➢ ***BOARD COMMITTEES*** *cont'd*

(C) NOMINATION & REMUNERATION COMMITTEE *cont'd*

BOARD EVALUATION

The NRC has reviewed and adopted the criteria used for the annual assessment and evaluation of each individual Director, the Board as a whole and the Board Committees as well as the independence assessment of the Independent Directors.

Each Director is required to review and appraise himself/herself and the Board and/or the respective Committees of which he/she is a member based on the criteria as set out in the evaluation form. From the results, the NRC will draw conclusions on the Board's and Committees' effectiveness in discharging their duties and responsibilities. The results and conclusions will be escalated to the Board.

The annual review and evaluation of the Board as a whole, the Board Committees and the individual Directors which were conducted for the financial year ended 31 December 2021 concluded that the Board and the Board Committees had continued to operate effectively towards fulfilling their duties and responsibilities as the members of the Board and Board Committees throughout the year under review.

ASSESSMENT OF INDEPENDENT DIRECTORS

The Board acknowledges the importance of having independence and objectivity in decision-making by the Independent Directors of the Company. Assessment on the independence of the Company's Independent Directors is undertaken annually, prior to any new appointment and when any new interest or relationship develops between the Independent Director and the Company.

The NRC reviews the independence of the Independent Directors in accordance with the criteria on independence as stipulated in the MMLR and Practice Notes of Bursa Securities as well as the Code. The Independent Directors are also assessed on their ability and commitment to continue to bring independence and objective judgement to the deliberation and decision making of the Board and Board Committees.

The Board and the NRC are, based on the annual assessment made for the financial year ended 31 December 2021, satisfied with the level of independence demonstrated by all the five (5) Independent Directors of the Company and that they fulfil the definition of "Independent Director" under the MMLR of Bursa Securities.

(D) OPTIONS COMMITTEE

The Options Committee had also been established by the Board to administer the Company's Employees Share Options Scheme 2013/2023 ("ESOS"), in accordance with the By-Laws of the ESOS as approved by the shareholders of the Company, amongst others, to determine participation eligibility, terms of the offers and share option allocations and to attend to such other matters as may be required subject to the ESOS's By-Laws. The current members of the Options Committee are as follows:

(i) Ng Soon Lai @ Ng Siek Chuan
Chairman/Independent Non-Executive Director

(ii) Dato' Lee Tuck Fook
Member/Group Managing Director

(iii) Goh Chin Liong
Member/Deputy Managing Director

The Options Committee meet as and when required and no meeting was held during the financial year ended 31 December 2021.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

➢ ***TENURE OF INDEPENDENT DIRECTORS***

The Board notes and supports the recommendation of the Code that the tenure of an Independent Director should not exceed a term of nine (9) years. In the event the Board intends to retain any Director as an Independent Director who has served beyond a term of nine (9) years, approval from the shareholders through a two-tier voting process will be sought at the Company's general meeting.

Currently, none of the Independent Directors has served for more than nine (9) years on the Board and the tenure of the longest serving Independent Directors is slightly more than five (5) years as at the end of the financial year ended 31 December 2021.

➢ ***DIRECTORS' REMUNERATION***

The objective of the Group's Remuneration Policy is to attract and retain the Directors and Senior Management who play an important role in leading and controlling the Group's operations effectively. Generally, the remuneration of each Director and Senior Management are determined based on their roles and responsibilities having regard to their merits, qualifications and competence as well as the Group's operating results, individual performance and comparable market statistics.

The Policy on Remuneration of Directors and Senior Management of the Group, which sets out the policy statements and guiding principles to determine the remuneration of the Directors and senior management, is in line with the best practices recommended by the Code and as prescribed under the MMLR of Bursa Securities. The said policy is available for reference on the Company's website at (www.wct.com.my).

The aggregate fees, remuneration and other emoluments received by the Directors of the Company for the financial year ended 31 December 2021 are as follows:

The Company	Salary (RM)	Fees (RM)	Bonus (RM)	Allowance (RM)	Benefits-in-kind (RM)	Other emoluments (RM)	Total (RM)
Executive Directors							
Tan Sri Lim Siew Choon	3,105,000	12,000	115,000	-	15,321	7,195	3,254,516
Dato' Lee Tuck Fook	2,700,000	12,000	100,000	-	-	3,566	2,815,566
Chow Ying Choon	1,745,000	12,000	75,000	-	31,150	1,381	1,864,531
Goh Chin Liong	2,227,500	12,000	82,500	-	38,800	7,456	2,368,256
Liang Kai Chong	1,485,000	12,000	55,000	-	23,300	11,241	1,586,541
Non-Executive Directors							
Tan Sri Marzuki Bin Mohd Noor	-	84,000	-	21,000	-	700	105,700
Datuk Ab Wahab Bin Khalil	-	84,000	-	20,000	-	700	104,700
Dato' Ng Sooi Lin	-	84,000	-	22,000	-	3,130	109,130
Ng Soon Lai @ Ng Siek Chuan	-	84,000	-	7,000	-	3,130	94,130
Rahana Binti Abdul Rashid	-	84,000	-	14,000	-	3,130	101,130
Total (RM)	11,262,500	480,000	427,500	84,000	108,571	41,629	12,404,200

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

➢ ***FINANCIAL REPORTING***

The Board continually strives to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects, primarily through the annual financial statements and quarterly interim financial results to shareholders as well as the Chairman's Statement and Management Discussion and Analysis in the Company's Annual Report 2021.

In preparing the financial statements, the Group has adopted the applicable accounting policies which have been consistently applied and are supported by reasonable and prudent judgements and estimates by the Board. All accounting standards that the Board considers to be applicable have been adopted.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT *cont'd*

➢ ***FINANCIAL REPORTING*** *cont'd*

The Board is also assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required to present a set of financial statements for the Group and the Company which give a true and fair view of the state of affairs of the Group and the Company at the end of each financial year as well as the financial results and their cash flows for that financial year.

The Directors consider that in preparing the financial statements:

- the Group and the Company have used the appropriate accounting policies and such policies were consistently applied;
- reasonable and prudent judgements and estimates have been made;
- all applicable approved accounting standards in Malaysia have been adopted; and
- the financial statements have been prepared on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue to be in operations for the foreseeable future.

The Directors are responsible for ensuring that the Group and the Company keeps proper accounting records that disclose with reasonable accuracy the financial position of the Group and of the Company and which will enable them to ensure that the Financial Statements comply with the relevant provisions of the Companies Act, 2016.

The Directors also have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities, where possible.

➢ ***SUITABILITY AND INDEPENDENCE OF EXTERNAL AUDITORS***

Through the Audit Committee, the Group has established a transparent and appropriate relationship with the Group's external Auditors in seeking professional assurance and ensuring compliance with the accounting standards in Malaysia.

The role of the Audit Committee in relation to the external Auditors can be found in the Audit Committee Report as set out in the Company's Annual Report 2021.

The Audit Committee has obtained confirmation from the external Auditors that they are and have been independent throughout the conduct of their audit engagement in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants' independence requirements.

➢ ***SOUND FRAMEWORK TO MANAGE RISKS***

The Board acknowledges its responsibility for maintaining a sound system of internal controls to safeguard the shareholders' investment and the Group's assets. Due to limitations that are inherent in any system of internal controls, the system adopted by the Group is designed to identify, mitigate and manage rather than to fully eliminate such risks that may potentially impede the attainment of the Group's objectives.

Information on the Group's internal control system implemented during the year is presented in the Statement on Risk Management and Internal Control set out in the Company's Annual Report 2021.

➢ ***INTERNAL AUDIT FUNCTION***

The internal audit function of the Group is carried out by the Group Internal Audit Department ("GIA") which reports directly to the Audit Committee. The role of the GIA is to provide independent and objective reports on the effectiveness of the system of internal controls within the business units and projects of the Group to the Audit Committee. Further details of the internal audit function and the activities are set out in the Audit Committee Report of the Company's Annual Report 2021.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

➢ ***EFFECTIVE COMMUNICATION AND PROACTIVE ENGAGEMENTS WITH SHAREHOLDERS***

The Group values and strongly believes in the importance of effective communication with shareholders, potential investors and the public. This is to ensure that all shareholders, both institutional and individual investors, have full access to the relevant information disclosed by the Company. It does this through the Company's Annual Report, AGM, the Company's website (www.wct.com.my) and the timely release of all corporate announcements and quarterly interim financial results, thus providing shareholders and the investing public with an overview of the Group's performance and operations. All enquiries made are dealt with as promptly as practicable.

The Annual Report remains as the Company's main source of information to the shareholders and investors while the Company's website, which has a dedicated investor relations section, is intended to provide relevant information about the Group to a wider segment of the investing public.

Any shareholders and/or stakeholders of the Group who may have concerns relating to the Group may directly convey the same to Tan Sri Marzuki Bin Mohd Noor, the Company's Senior Independent Non-Executive Director, who serves as a point of contact for shareholders and other stakeholders.

➢ ***ENSURE TIMELY AND HIGH-QUALITY DISCLOSURE***

The Board recognises the importance of prompt and timely dissemination of accurate and sufficient information concerning the Company and its Group to the shareholders, investors and other stakeholders to enable them to make informed decisions.

The Company maintains the practice of releasing all requisite announcements as well as material and price sensitive information in a timely manner to Bursa Securities in compliance with the disclosure requirements as set out in the MMLR of Bursa Securities. The Company also releases timely updates to the market and community through the Company's websites, media release and other appropriate channels. Price-sensitive information and information that may be regarded as undisclosed material information about the Group is, however, not disclosed until after the requisite announcement to Bursa Securities has been made.

➢ ***THE AGM***

The AGM of the Company is used as a forum of communication with its shareholders. All shareholders are encouraged to attend the AGM which is usually held within the Klang Valley and is easily accessible by the shareholders. In light of the COVID-19 pandemic, the Company conducted a fully virtual 10th AGM on 22 June 2021 as a precautionary measure to curb the spread of COVID-19. During the 10th AGM, a presentation was given by the Senior Management to the shareholders on the Group's strategies, performance and latest developments including the Company's responses to the questions raised by the Minority Shareholders Watch Group (MSWG), on behalf of the minority shareholders of the Company and Permodalan Nasional Malaysia, a substantial shareholder of the Company. The Board encourages participation from shareholders by having a question and answer session during the AGM whereby the shareholders may channel their queries relating to the audited financial statements of the Group and the Company to the Company's External Auditors and may discuss the Group's performance and its business activities with the Directors and the Management of the Company. Each item of special business included in the notice of the general meeting is accompanied by an explanation of the effects of a proposed resolution. Separate resolutions are proposed for substantially separate issues at the general meeting and the Chairman would declare the number of proxy votes received, both for and against each separate resolution where appropriate.

Pursuant to Paragraph 8.29A of the MMLR of Bursa Securities, any resolution set out in the notice of any general meeting shall be voted by poll. As such, all resolutions proposed at the forthcoming 11th AGM of the Company scheduled to be held on 15 June 2022 will be voted by poll. An Independent Scrutineer will be appointed by the Company to verify the results of the poll at the AGM.

➢ ***INVESTOR RELATIONS***

Another important channel of communication with shareholders, investors and the general investment community, both locally and internationally, is the Group's investor relations activities. The Company conducts regular briefings with financial analysts and fund managers from time to time as a means of maintaining and improving investor relationship. At least four (4) analyst briefings are held each year, usually to coincide with the release of the Group's quarterly interim financial results. Additional engagements with individual or group of analysts and fund managers may be held on an ad hoc basis as and when requested. A press conference is normally held after the AGM or any Extraordinary General Meeting of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS *cont'd*

➢ ***INVESTOR RELATIONS*** *cont'd*

Below is a summary of the investor relations activities undertaken during the financial year ended 31 December 2021:

	Total
Meetings/Conference calls with investors, analysts and fund managers	3
Investors briefings	4

The Group's website (www.wct.com.my) has a section dedicated to investor relations and provides up-to-date information on the Group's business and operations. Presentations made to analysts and fund managers are also posted on this section of the Company's website. Further enquiries on all investor related matters may be directed to the following person:

Ms Lo Wei Teing
Senior Manager - Corporate Affairs and Sustainability
Tel : +603 7806 6608
Email : wei-teing.lo@wct.my

The Board is fully committed to complying with the principles, recommendations and best practices set out in the Code and the MMLR of Bursa Securities, where applicable. Following the updated Code issued by Securities Commission of Malaysia, the Board will continue to enhance the corporate governance practices applied throughout the operations and management of the Group in particular in the areas where those principles which have not yet been adopted by the Company as disclosed in the CG Report 2021.

(This Statement on Corporate Governance has been approved by the Board of Directors on 18 April 2022).

OTHER DISCLOSURES

The following additional disclosures are made in respect of the financial year ended 31 December 2021:

1. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSAL

No proceeds have been raised from any corporate proposal during the financial year ended 31 December 2021.

2. INFORMATION IN RELATION TO EMPLOYEES' SHARE OPTIONS SCHEME

(i) The Company's Employees' Share Option Scheme ("ESOS") (2013/2023), which was established and implemented on 19 July 2013, is the only share scheme in existence during the financial year ended 31 December 2021.

(ii) No options were offered and granted under the ESOS (2013/2023) for the financial year ended 31 December 2021. The total number of options granted, exercised and outstanding under the ESOS (2013/2023) since its commencement up to 31 December 2021 are as set out in the table below:

		Cumulative Number of Options (Since commencement date up to 31 December 2021)	
Description		**Grand Total**	**Directors**
(a)	Option granted	62,165,000	8,604,000
(b)	Exercised & forfeited options	26,688,600	4,904,000
(c)	Expired on 12 June 2021 (Fourth Offer)	23,901,400	2,050,000
(d)	Outstanding options	11,575,000	1,650,000

(iii) Percentages of options applicable to Directors and Senior Management under the ESOS (2013/2023):

Directors and Senior Management		**Options Offered in FYE 2021**	**Since commencement date up to 31 December 2021**
(a)	Aggregate maximum allocation	-	22.92%
(b)	Actual no. of options granted	-	22.24%

(iv) No options have been granted to the Independent Non-Executive Directors of the Company pursuant to the ESOS (2013/2023).

3. AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-audit fees paid or payable to the Company's external auditors, or a firm or corporation affiliated to the external auditors' firm by the Group and the Company for the financial year ended 31 December 2021 are as follows:

	Group (RM)	Company (RM)
Audit Fees	492,501	92,000
Non-Audit Fees	169,934	*149,350

** Mainly for the review of proforma balance sheet and accounting treatment for potential corporate exercises.*

OTHER DISCLOSURES
cont'd

4. MATERIAL CONTRACTS AND TRANSACTIONS INVOLVING DIRECTORS AND/OR MAJOR SHAREHOLDERS

Save as disclosed in Note 43 of the audited financial statements of the Company as contained in this Annual Report, there were no material contracts/transactions entered by the Company and/or its subsidiaries involving the interest of directors and/or major shareholders, either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

5. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE

At the 10th Annual General Meeting ("AGM") held on 22 June 2021, the Company had obtained a mandate from its shareholders to allow the Company and/or its subsidiaries ("the Group") to enter into recurrent related party transactions ("RRPT") of a revenue nature which are necessary for the Group's day-to-day operations with related parties.

There were no RRPT entered into by the Group during the financial year ended 31 December 2021.

The Company intends to seek its shareholders' approval at the forthcoming AGM to be held on 15 June 2022 for the renewal of the existing mandate for RRPT of a revenue or trading nature which are necessary for the Group's day-to-day operations, details of which are set out in Part A of the Circular to Shareholders dated 27 April 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("**the Board**") is pleased to present its Statement on Risk Management and Internal Control for inclusion in the Annual Report 2021 of WCT Holdings Berhad ("**WCT**" or "**Company**"). This statement serves to outline the nature and scope of risk management and internal control system of the Company and its subsidiaries ("**Group**") for the financial year ended 31 December 2021 ("**FYE2021**"). This Statement is prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and guided by the "**Statement on Risk Management and Internal Control** – Guidelines for Directors of Listed Issuers ("**SRMICG**") issued by Bursa Securities on the issuance of internal control statement.

BOARD'S RESPONSIBILITY

The Board of WCT affirms the overall responsibility for maintaining a sound system of risk management and internal control so as to safeguard shareholders' interests and the Group's assets. The system of risk management and internal control is designed to manage but may not totally eliminate the risk of failure to achieve business objectives. Accordingly, such systems can only provide reasonable and not absolute assurance against material error, misstatement or losses. The Board confirms that there is an ongoing process of identifying, evaluating and managing all significant risks faced by the Group that has been in place for the year and up to the date of approval of this Statement for inclusion in the Annual Report. The process is regularly reviewed by the Board and is in accordance with SRMICG and the Group's Risk Management Policies and Procedures.

RISK MANAGEMENT

The risk management framework clearly defines the authority and accountability in implementing the risk management process and internal control system. The Management assists the Board in implementing the process of identifying, evaluating and managing significant risks applicable to their respective areas of business and in formulating suitable internal controls to mitigate and control these risks.

The Board has delegated the responsibility of risk management oversight and control to the Board Risk & Sustainability Committee ("**BRSC**") while the Risk Management Committee ("**RMC**") is responsible for developing, executing and maintaining an effective risk management system, including the continual review process of identified risks and the effectiveness of mitigation strategies and controls.

At operating unit level, risk owners are responsible for identifying risks that may have an impact on achieving their operational/financial and other business objectives. Gross risks are ranked accordingly, after taking into consideration of gross likelihood and gross impact should the risks occur, before they are ranked according to the residual risks, after taking into consideration the effectiveness of controls and action plans taken or proposed to be taken to mitigate such identified risks. Detailed action plans would then be implemented in order to manage such risks to an acceptable level.

During the FYE2021, all risks identified by respective owners together with the controls and action plans undertaken or proposed to be undertaken to mitigate and manage the risk exposure are reviewed, appraised and assessed by the RMC. Where applicable, the RMC had also raised other issues of concerns and recommended additional mitigation actions to further mitigate the risk exposure. The RMC then reports the key risks and mitigations actions which have been deliberated and recommended to be implemented on a quarterly basis to the BRSC. After due deliberation, the BRSC would then present a summary of the key risks, mitigation actions and its recommendation to the Board for final endorsement.

KEY RISK MANAGEMENT AND INTERNAL CONTROL FEATURES

The Group's risk management and internal control systems comprise the following key processes:

- Clearly defined operating structure, lines of responsibilities and delegated authority. Various Board and Management Committees have been established to assist the Board in discharging its duties.

Board Committee		Management Committee	
1	Audit Committee	1	Management Committee
2	Board Risk & Sustainability Committee	2	Risk Management Committee
3	Nomination & Remuneration Committee	3	Covid-19 Task Force
4	Option Committee		

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
cont'd

KEY RISK MANAGEMENT AND INTERNAL CONTROL FEATURES *cont'd*

- Discretionary Authority Limits ("**DAL**") duly approved by the Board are prescribed to govern the authority limits granted to the designated personnel who are duly authorised to carry out their respective job responsibilities as well as to represent the Group in all official correspondences and documentations on behalf of the Group covering capital expenditures, procurement, payments, investments, acquisitions and disposals.

- The Group's policies, procedures and guidelines are properly documented and made accessible to all employees to ensure that all employees are aware of and will comply with them. These policies, procedures and guidelines are subject to periodic review and improvements.

- An Integrated Management System, incorporating ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 requirements have been established and implemented to enable high-quality, cost-effective, reliable, safe and environmentally friendly products and services. Existing certification available are as follows:

Type	Ref	Certification No	Issued to	Valid until
Quality Management System ("**QMS**")	ISO 9001: 2015	QMS 00887	WCT Berhad (including WCT Construction Sdn Bhd)	8 Apr 2022
		QMS 01762	WCT Machinery Sdn Bhd	4 Oct 2024
		QMS 01306	WCT Land Sdn Bhd and its subsidiaries	2 Sept 2022
		QMS 03141	WCT Properties Sdn Bhd	13 Jul 2023
Environmental Management System ("**EMS**")	ISO 14001: 2015	EMS 00520	WCT Berhad (including WCT Construction Sdn Bhd)	8 Apr 2022
		EMS 00931	WCT Machinery Sdn Bhd	14 Dec 2023
Occupational Health & Safety Management System ("**OHSMS**")	ISO 45001: 2018	OHS 00221	WCT Berhad (including WCT Construction Sdn Bhd)	8 Apr 2022
		OHS 00503	WCT Machinery Sdn Bhd	4 Oct 2024
		OHS 00227	WCT Land Sdn Bhd and its subsidiaries	2 Sept 2022

- Proper guidelines for recruitment and performance evaluation including termination of employees are in place. Employee's performance is regularly monitored, appraised and rewarded accordingly.

- Training and development programmes are identified and scheduled with the objective of continuously upgrading their skills, broadening their knowledge, improving their competency as well as sharing their experience to keep them proficient and competent in handling their day-to-day job functions, as well as to meet the current business requirements and future business needs.

- The Group's Vision, Mission and Core Values, are shared and communicated to all levels of employees of the Group and are accessible on the Company's official website and intranet. The Code of Conduct & Ethics for Employees is available on the Company's website at www.wct.com.my.

- The Group Internal Audit Department ("**GIAD**"), which reports directly to the Audit Committee based on approved audit plan. Detailed internal audit report *(comprised of audit findings, together with recommendations and proposed action plans)* are submitted for deliberation by the Audit Committee during the Audit Committee meetings held throughout the financial year.

  During the FYE2021, GIAD had performed twenty-seven (27) internal audits on the adequacy and operating effectiveness of the Group's internal controls which have been duly reviewed by the Audit Committee. Audit findings reported by the GIAD and actions taken or proposed to be taken by the operating units to address the findings were deliberated at Audit Committee meetings. The minutes of the Audit Committee meetings held to deliberate the internal audit reports were subsequently escalated to the Board for notation.

- In respect of joint ventures entered into by the Group, the Management of the joint ventures, which consist of representatives from the Group and other joint venture partners, are responsible to oversee the administration, operation and performance of the joint venture. Financial and operational reports of these joint ventures are provided regularly to the Management of the Company.

KEY RISK MANAGEMENT AND INTERNAL CONTROL FEATURES *cont'd*

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
cont'd

- Annual strategic business plans and financial budgets are prepared by all key business units and are being monitored at quarterly Management Committee meetings and subsequently presented to the Audit Committee and the Board for deliberation. The Audit Committee and the Board also review the operational and financial results of the Group on a quarterly basis before the Group's quarterly interim financial results and annual financial results are released to Bursa Securities for public announcement.

- The Group's operating performance and financial results are communicated to the Company's shareholders, stakeholders and the general public on a quarterly basis via the release of interim quarterly financial reports as well as on an annual basis via the Company's annual report. In addition, once a year, the Company would convene an Annual General Meeting whereby the Board would be able to brief the shareholders of the Company on the operational and financial performance of the Group. Company briefings for financial analysts and institutional investors are also conducted regularly to keep the investment community abreast with the development and latest financial results of the Group.

- The Group's Anti-Bribery Management System ("**ABMS**") was introduced on 1 June 2020 when both the Group's Anti-Bribery and Anti-Corruption Policy ("**ABAC Policy**") and Anti-Bribery and Anti-Corruption Policy standard operating procedures ("**ABAC SOP**") were approved. In 2021, the Group appointed a service provider to digitalize the ABMS and the first training to users was conducted on 19 January 2022. The ABAC policy is available on the Company's website at www.wct.com.my.

- The whistle-blower program of the Group was initiated since 2017 when the Group's Whistleblowing Policy was approved, and later revised in August 2020 to commensurate with the implementation of the Group's ABAC policy and ABAC SOP since 1 June 2020. The whistleblowing form is available on the Company's website at www.wct.com.my

- The Group's Covid-19 Task Force was set-up in March 2020 to assess, co-ordinate and monitor initiatives required to manage, mitigate and contain, to the extent possible, the risks arising from COVID-19 outbreak in order to safeguard the safety of all the employees of the Group as well as to protect the interests of our stakeholders. During the FYE2021, some highlights taken by the Group to protect its employees (including their family member) includes (but not limited to) the following: -

  - 1st and 2nd dose Covid-19 vaccination to all employees of WCT Group and their immediate family member.
  - Provide adequate RTK Antigen Self-Test kit to all employees for use before they commence work.
  - Provide an online platform (Microsoft Power Appellants) for employees to upload their RTK Antigen Self-Test result.
  - Provide adequate face mask for use by all employees of WCT Group.

The Group Managing Director and the Director of Finance and Accounts have provided the Board with assurance that the Group risk management and internal control system are operating adequately and effectively. All internal control weaknesses identified during the period under review have been or are being addressed. There were no major internal control weaknesses that require disclosure in the Annual Report. The Management continues to review and take measures to strengthen the risk management and control environment.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.26(b) of the MMLR of Bursa Securities, the external auditors of the Company have reviewed this Statement on Risk Management and Internal Control prepared by the Company for the FYE2021. Their limited assurance review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide ("AAPG") 3, and Guidance for Auditors on Engagements to report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal controls system of the Group. The review by the external auditors was made solely for the benefit of the Board in connection with the compliance with the MMLR of Bursa Securities by the Company. The external auditors do not assume responsibility to any person other than the Board in respect of any aspect of their review.

CONCLUSION

Having considered all aspects of the Group's risk management and internal control system in place as set out in this Statement, the Board is generally satisfied with the adequacy and effectiveness of the Group's risk management and internal controls during the FYE2021 and the period up to the date of issuance of this Statement.

(This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board dated 18 April 2022).

AUDIT COMMITTEE REPORT

A. MEMBERSHIP AND ATTENDANCE OF MEETINGS

The Audit Committee comprises the following members:

(1) **Tan Sri Marzuki Bin Mohd Noor**
Chairman/Independent Non-Executive Director

(2) **Datuk Ab Wahab Bin Khalil**
Member/Independent Non-Executive Director

(3) **Dato' Ng Sooi Lin**
Member/Independent Non-Executive Director

(4) **Ng Soon Lai @ Ng Siek Chuan**
Member/Independent Non-Executive Director

(5) **Rahana Binti Abdul Rashid**
Member/Independent Non-Executive Director

The Audit Committee is appointed by the Board of Directors ("the Board") and consists entirely of Independent Non-Executive Director. Mr Ng Soon Lai @ Ng Siek Chuan, a member of the Audit Committee, is a fellow member of the Institute of Chartered Accountants in England & Wales.

A total of five (5) Audit Committee meetings were held during the financial year ended 31 December 2021 and the attendance record of the members are as follows:

Name	Number of meetings attended in 2021
Tan Sri Marzuki Bin Mohd Noor	5/5
Datuk Ab Wahab Bin Khalil	5/5
Dato' Ng Sooi Lin	5/5
Ng Soon Lai @ Ng Siek Chuan	5/5
Rahana Binti Abdul Rashid	5/5

B. TERMS OF REFERENCE

The details of terms of reference of the Audit Committee are available on the Company's website at (www.wct.com.my).

C. SUMMARY OF ACTIVITIES

The Audit Committee works closely with the external auditors, internal auditors and management to carry out its functions and duties in line with the term of reference of the Audit Committee.

During the financial year ended 31 December 2021, the Audit Committee had carried out the following activities:

(1) Reviewed the quarterly unaudited financial reports of the Group before recommending the same to the Board for approval and release to Bursa Malaysia Securities Berhad;

(2) Reviewed the annual audited financial statements of the Company and the Group for the financial year ended 31 December 2020 together with the external auditors prior to submission to the Board for their consideration and approval;

(3) Reviewed the declaration of final share dividend for financial year ended 31 December 2020 and thereafter, recommended it to the Board for their consideration;

(4) Reviewed the external auditors' report on their audit plan, scope of work and the audit procedures to be adopted in their annual audit;

AUDIT COMMITTEE REPORT
cont'd

C. SUMMARY OF ACTIVITIES *cont'd*

(5) Reviewed with external auditors the results of the audit, the relevant audit reports and Management Letters together with the Management's responses thereto;

(6) Held two (2) discussions with the external auditors on 17 March 2021 and 25 November 2021 without the presence of management and executive directors;

(7) Reviewed the suitability, objectivity and independence of the external auditors to continue to act as the Company's external auditors;

(8) Discussed with the internal auditors on their scope of work, adequacy of resources and co-ordination with the external auditors;

(9) Reviewed twenty-seven (27) internal audit reports on operational, financial and compliance audit for on-going and completed construction projects, on-going and completed property development projects, mall operations, property management & maintenance and also ad-hoc audit reviews;

(10) Deliberated on the significant audit findings and management's responses in the internal audit reports and the follow-up actions taken on the respective audit recommendations;

(11) Discussed and approved twenty-seven (27) internal audit plans for year 2022 for the Group;

(12) Reviewed and approved the guidelines and procedures for recurrent related party transactions of a revenue or trading nature ("RRPT");

(13) Reviewed the status report of Whistleblowing and Anti-Bribery and Anti-Corruption for the Group;

(14) Reviewed the following reports and statements and thereafter, recommended the same to the Board for inclusion in the Company's Annual Report 2020:

(a) Audit Committee Report;
(b) Corporate Governance Overview Statement;
(c) Corporate Governance Report; and
(d) Statement on Risk Management and Internal Control.

(15) Reviewed the related party transaction(s) entered into by the Group to ensure the transactions are conducted at arm's length and on normal commercial terms prior to submission for the Board's consideration and approval.

D. INTERNAL AUDIT FUNCTION

The Internal Audit Department (IAD), which reports directly to the Audit Committee, provides internal audit function of the Group and performs internal audits reviews based on annual audit plans approved by the Audit Committee. IAD checks for compliance with policies and procedures, effectiveness and adequacy of internal control systems and subsequently highlights material findings, together with recommendations and action plans during Audit Committee meetings.

IAD also provides necessary assistance for any special assignments, investigations or ad-hoc audit reviews upon the request by the Management from time to time.

AUDIT COMMITTEE REPORT
cont'd

D. INTERNAL AUDIT FUNCTION *cont'd*

During the financial year ended 31 December 2021, the IAD carried out its audit duties that covers business units, compliance, operational and financial audits and reported its findings to the Audit Committee. The summary of internal audit reviews performed for the year are as follows:

Type of Review	Number of Completed Reviews
On-going construction & property development projects	18
Completed construction & property development projects	1
Property maintenance & operations	1
Mall operations	4
Others	3
Total:	**27**

The total cost incurred in respect of the Group's internal audit function for the financial year ended 31 December 2021 was approximately RM1,053,340.24 (FY2020: RM986,201.00).

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and provision of management services to the subsidiaries, joint ventures and associates.

The principal activities and other information relating to the subsidiaries, associates and jointly controlled entities are disclosed in Notes 8, 9 and 10 to the financial statements respectively.

RESULTS

	Group RM'000	Company RM'000
Profit after taxation	139,968	64,171
Attributable to:		
Equity holders of the Company	97,245	16,158
Holders of Perpetual Sukuk	48,013	48,013
Non-controlling interests	(5,290)	-
	139,968	64,171

There were no material transfers to or from reserves and provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than the gain from settlement and the reversal of accrual of costs arising from settlement of two arbitration awards as disclosed in Notes 37, 50(a) and 50(b) to the financial statements.

DIVIDENDS

Dividends paid by the Company since 31 December 2020 were as follows:

	RM'000
In respect of the financial year ended 31 December 2020:	
Final dividend	
Share dividend by way of distribution of 14,026,085 treasury shares on 22 July 2021 on the basis of 1 treasury share for every 100 ordinary shares held in the Company	4,955

At the forthcoming Annual General Meeting, a final cash dividend of 0.50 sen per ordinary share under the single-tier system in respect of the financial year ended 31 December 2021, amounting to approximately RM7,086,000, will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2022.

DIRECTORS' REPORT
cont'd

DIRECTORS

The names of the Directors of the Company in office since the beginning of the financial year to the date of this report are:

Tan Sri Lim Siew Choon#
Dato' Lee Tuck Fook#
Chow Ying Choon*
Goh Chin Liong*
Liang Kai Chong*
Tan Sri Marzuki Bin Mohd Noor
Datuk Ab Wahab Bin Khalil
Dato' Ng Sooi Lin
Ng Soon Lai @ Ng Siek Chuan
Rahana Binti Abdul Rashid

** These Directors are also Directors of the Company's subsidiaries.*
 # These Directors are also Directors of the Company's subsidiaries (Appointed on 6 April 2022).

The names of the Directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those Directors listed above) are:

Ng Eng Keat	
Chong Kian Fah	
Lim Swee Hock	
James Andrew Chai	
Mohd Roslan Bin Sarip	
Chong Wah Hing	
Selena Chua Kah Noi	
Ong Ka Thiam	
Wan Ahmad Shukri Bin Wan Daud	
Ahmad Tarmizi Bin Ismail	
Tran Tac Sam	
Khaled Mohamed Abdulrahim Mohamed	
Peter James Sellers	
Salim Bin Ali Bin Nasser Al Siyabi	
Khuzaim Iqbal Jafferi	
Elina Binti Abdul Aziz	
Fatweena Bibi Ameen Uteene-Mahamod	
Sharmanand Jhurreea	
Ng Mun Wai	
Lai Cheng Yee	
Omkumar Akellia	(Appointed on 15 April 2021)
Dato' Syed Budriz Putra Jamalullail	(Appointed on 22 April 2021)
Chronos Ltd	(Appointed as corporate director on 1 December 2021)
Ong Chou Wen	(Resigned on 21 April 2021)
Keith George Cowling	(Resigned on 30 July 2021)
ISLA Ltd	(Ceased as corporate director on 1 December 2021)

DIRECTORS' REPORT
cont'd

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from share options granted under the Company's Employees' Share Option Scheme 2013/2023 ("ESOS 2013/2023").

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as disclosed in Note 39(c) to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 43(a) to the financial statements.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in ordinary shares and options over ordinary shares of the Company or its related corporations during the financial year were as follows:

	WCT Holdings Berhad			
	Number of ordinary shares			
	1 January 2021	**Acquired**	**(Disposed)**	**31 December 2021**
Tan Sri Lim Siew Choon				
- direct	99,791,737	1,041,016**	-	105,142,753
		4,310,000		
- deemed ***	254,673,345	2,546,733**	-	257,220,078
Goh Chin Liong				
- direct	14,800,005	148,000**	-	14,948,005
Liang Kai Chong				
- direct	3,886,260	38,862**	-	3,925,122
- indirect (spouse)	274,887	2,748**	-	277,635

Tan Sri Lim Siew Choon by virtue of his interest in shares in the Company is also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

** *Share dividend received on the basis of 1 treasury share for every 100 ordinary shares held in the Company, fraction of treasury shares was disregarded.*

*** *Deemed interested by virtue of his interest in Dominion Nexus Sdn. Bhd. via Legacy Pacific Limited.*

DIRECTORS' INTERESTS *cont'd*

	Number of options to subscribe for ordinary shares pursuant to WCT Holdings Berhad's ESOS 2013/2023			
	1 January 2021	**Granted**	**(Expired)^**	**31 December 2021**
Tan Sri Lim Siew Choon	900,000	-	(900,000)	-
Dato' Lee Tuck Fook	800,000	-	(800,000)	-
Goh Chin Liong	900,000	-	-	900,000
Liang Kai Chong	1,100,000	-	(350,000)	750,000

^ Expiry of ESOS 2013/2023 (4th offer) on 12 June 2021.

Further information of the ESOS 2013/2023 are disclosed in Note 31(c) to the financial statements.

Other than the above, none of the Directors in office at the end of the financial year has any interest in ordinary share of the Company or its related corporations during the financial year.

ISSUE OF SHARES

There is no issuance of new ordinary shares during the financial year.

TREASURY SHARES

Details of the treasury shares are disclosed in Note 31(b) to the financial statements.

EMPLOYEES' SHARE OPTION SCHEME 2013/2023 ("ESOS 2013/2023")

Details of the ESOS 2013/2023 are disclosed in Note 31(c) to the financial statements.

INDEMNITY AND INSURANCE COSTS

The Company maintains a liability insurance for the Directors and officers of the Company and its subsidiaries in respect of their liability for any act or omission in their capacity as Directors or officers of the Company and its subsidiaries in respect of costs incurred by them in defending or settling any claim or proceedings relating to any such liability for the financial year ended 31 December 2021. The amount of insurance premium paid by the Company for the year ended 31 December 2021 was RM53,000.

OTHER STATUTORY INFORMATION

(a) Before the statements of financial position, statements of profit and loss and statements of other comprehensive income of the Group and of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

DIRECTORS' REPORT
cont'd

OTHER STATUTORY INFORMATION *cont'd*

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

(i) the amount written off for bad debts or the amount of the allowance for doubtful debts in respect of the financial statements of the Group and of the Company inadequate to any substantial extent; and

(ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the Directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

ARBITRATION AWARDS AND MATERIAL LITIGATIONS

Details of arbitration awards and material litigations are disclosed in Notes 50 and 51 to the financial statements respectively.

SIGNIFICANT EVENTS

Details of significant events are disclosed in Note 52 to the financial statements.

SUBSEQUENT EVENT

Details of subsequent event are disclosed in Note 53 to the financial statements.

AUDITORS AND AUDITORS' REMUNERATION

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

The auditors' remuneration of the Group and of the Company for the current financial year is RM1,024,000 and RM241,000, respectively.

DIRECTORS' REPORT
cont'd

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been paid to indemnify Ernst & Young PLT during or since the financial year ended 31 December 2021.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 15 April 2022.

Chow Ying Choon
Deputy Managing Director

Liang Kai Chong
Executive Director

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, Chow Ying Choon and Liang Kai Chong, being two of the Directors of WCT Holdings Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 137 to 276 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 15 April 2022.

Chow Ying Choon
Deputy Managing Director

Liang Kai Chong
Executive Director

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Chong Kian Fah, being the Officer primarily responsible for the financial management of WCT Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 137 to 276 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
by the abovenamed Chong Kian Fah
at Petaling Jaya in Selangor Darul Ehsan
on 15 April 2022

Chong Kian Fah

Before me,

CHUA FONG LING (No: B519)
Commissioner for Oath

INDEPENDENT AUDITORS' REPORT

to the members of WCT Holdings Berhad
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of WCT Holdings Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of profit and loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 137 to 276.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards ("IESBA Code")), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Revenue and cost of sales from construction and property development activities
(Refer to Notes 3.1(a), 3.2(a), 3.2(b), 3.2(c), 35 and 36 to the financial statements)

The Group is involved in construction and property development activities for which revenue is recognised over time. During the financial year, the Group recognised revenue of approximately RM1,167,297,000 and RM199,750,000 from construction and property development activities respectively and they accounted for approximately 69% and 12% of the Group's revenue respectively. The related cost of sales from construction and property development activities were RM1,276,501,000 and RM131,381,000 respectively and they accounted for 81% and 8% of the Group's cost of sales respectively.

The amounts of revenue and profit recognised are primarily dependent on the extent of actual costs incurred over the total estimated costs. We have identified revenue and cost of sales from construction and property development activities as our area of audit focus as significant management judgement and estimates are involved in estimating the total estimated costs of each construction and property development projects.

INDEPENDENT AUDITORS' REPORT

to the members of WCT Holdings Berhad
(Incorporated in Malaysia)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

Key audit matters cont'd

Revenue and cost of sales from construction and property development activities *cont'd*

In addressing revenue recognition and cost of sales of construction activities, we performed, amongst others, the following procedures:

- Obtained an understanding of the Group's processes and controls over revenue recognition and recording of cost of sales, including controls performed by management in estimating the total estimated costs of construction activities;

- Read significant contracts entered into with customers to obtain an understanding of the specific terms and conditions;

- Reviewed construction cost budgets by agreeing subcontractor budgeted costs to letters of award, purchase orders, quotations and/or latest revisions of these documents. For costs of work performed internally by the Group, we obtained and evaluated the estimates by interviewing quantity surveyors, project directors, general managers of contracts department and benchmarked these budgeted costs against similar completed projects;

- With respect to variations in contract works and claims for costs not included in the contract price, we agreed the amounts to approved variation order forms and/or correspondences with the customers and subcontractors;

- Assessed actual costs incurred by examining evidences such as contractors' progress claims and suppliers' invoices;

- Recomputed revenue recognised during the financial year using the input method by comparing total costs incurred against total budgeted costs; and

- Reviewed the adequacy of the Group's disclosures relating to construction contracts.

- Obtained an understanding of the Group's processes and controls over revenue recognition and recording of cost of sales, including controls performed by management in estimating the total estimated costs of property development activities;

- Read significant contracts entered into with customers, on a sampling basis, to obtain an understanding of the specific terms and conditions;

- Reviewed property development cost budgets by agreeing construction (comprising piling, building, mechanical and electrical works) costs to letters of award to main contractors and subcontractors. For statutory and regulatory contributions, we benchmarked budgeted contributions to other similar property development projects, adjusted for differences in gross development value;

- With respect to variations in contract works and claims for costs not included in the letters of award, we agreed the amounts to independent architect certificates and/or correspondences with the main contractors and subcontractors;

- Assessed actual costs incurred by examining evidences such as contractors' progress claims and suppliers' invoices;

- Sighted current financial year signed sales and purchase agreements and recomputed percentage of sales by comparing cumulative sales against net development value of the respective property development projects;

- Recomputed the projects' percentage of completion by comparing total costs incurred against total budgeted costs;

- Recomputed revenue recognised during the financial year by multiplying percentage of completion and percentage of sales to the total net development values; and

- Reviewed the adequacy of the Group's disclosures relating to property development activities.

INDEPENDENT AUDITORS' REPORT

to the members of WCT Holdings Berhad
(Incorporated in Malaysia)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

Key audit matters cont'd

Fair value of investment properties
(Refer to Notes 3.2(e), and 7 to the financial statements)

Investment properties are stated at fair value and any gain or loss arising from changes in the fair value are included in profit or loss for the financial year in which they arise. As at 31 December 2021, the carrying amount of investment properties amounted to RM1,722,515,000, representing 35% and 21% of the Group's total non-current assets and total assets respectively.

The Group is required to perform fair value assessment of its investment properties annually and has appointed independent professional valuers. The independent professional valuers adopted two valuation methods depending on the type of property, namely, comparison method and investment method.

We identified the valuation of investment properties as an area of audit focus as it involves significant judgement and estimates that are highly subjective.

In addressing this area of focus, we performed, amongst others, the following procedures:

- Assessed the objectivity, independence, reputation and expertise of the independent professional valuers;

- Obtained an understanding of the methodology adopted by the independent professional valuers in estimating the fair value of investment properties and assessed whether such methodology is consistent with those used in the industry. We also interviewed the independent professional valuers to obtain an understanding of their valuation process, the significant estimates and assumptions applied in their valuation model;

- Where the comparison method of valuation was adopted, we assessed the comparability of historical transactions used. We also obtained an understanding of the adjustments made by the independent professional valuers to account for differences in, amongst others, the property's location, time factor, property's size and tenure;

- Where the investment method of valuation was adopted, we checked mathematical accuracy of the independent professional valuers' computations, and interviewed the valuers to evaluate the income generation data used in deriving the discounted cash flows, yield rate, outgoings rate, void rate and reversion rate used by the independent professional valuers;

- Assessed reasonableness of the yield, outgoings, void and reversion rates used to forecast the cash flows by comparing the rates against historical trend and market outlook;

- Assessed whether the discount rate used to determine the present value of the cash flows reflects the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive; and

- Reviewed the adequacy of the Group's disclosures relating to investment properties.

Carrying value of completed inventory properties
(Refer to Notes 3.2(d) and 16 to the financial statements)

As at 31 December 2021, the Group's portfolio of completed inventory properties with a net carrying value of RM422,298,000 was carried at the lower of cost and net realisable value, representing 13% and 5% of the Group's total current assets and total assets respectively.

Where there are indicators that the carrying value is above the net realisable value, the Group engaged independent professional valuers to assess the net realisable value of the inventory properties. The independent professional valuers adopted the comparison method of valuation.

We considered the valuation of completed inventory properties as a key audit matter given the relative size of its carrying value in the consolidated statement of financial position and the significant judgement involved in estimating future selling prices and selling costs. These judgements may have a material impact on the calculation of net realisable value and therefore in determining the extent of write down, if any.

INDEPENDENT AUDITORS' REPORT

to the members of WCT Holdings Berhad
(Incorporated in Malaysia)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

Key audit matters cont'd

Carrying value of completed inventory properties *cont'd*

In addressing this area of focus, we performed, amongst others, the following procedures:

- Assessed the objectivity, independence, reputation and expertise of the independent professional valuers;

- Obtained an understanding of the methodology adopted by the independent professional valuers in estimating the fair value of inventory properties and assessed whether such methodology is consistent with those used in the industry;

- Interviewed the independent professional valuers to obtain an understanding of their valuation process, the significant estimates and assumptions applied in their valuation model which included assessment of the comparability of historical transactions used. We also obtained an understanding of adjustments made by the independent professional valuers to account for differences in, amongst others, the property's location, time factor, property's size and tenure;

- Reviewed estimates of costs to sell, which were calculated by management; and

- Reviewed the adequacy of the Group's disclosure relating to inventory properties.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate action.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

to the members of WCT Holdings Berhad
(Incorporated in Malaysia)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;

- conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation; and

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

to the members of WCT Holdings Berhad
(Incorporated in Malaysia)
cont'd

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 8 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Tseu Tet Khong @ Tsau Tet Khong
03374/06/2022 J
Chartered Accountant

Kuala Lumpur, Malaysia
15 April 2022

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2021

		Group		Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
Non-current assets					
Property, plant and equipment	4	339,812	334,471	1,448	2,479
Right-of-use assets:					
- Property, plant and equipment	23	40,350	44,388	16,910	3,578
- Investment properties	23	124,204	129,109	-	-
Intangible asset	5	110,275	117,639	-	-
Inventory properties under development	6(a)	1,618,027	1,747,525	-	-
Investment properties	7	1,722,515	1,730,366	-	-
Investments in subsidiaries	8	-	-	3,718,026	3,718,026
Investments in associates	9	155,914	153,580	-	-
Investments in joint ventures	10(b)	262,838	239,619	777	777
Trade receivables	11	245,849	459,665	-	-
Contract assets	12	-	224,669	-	-
Other receivables	13	281,467	319,241	148	288
Due from related parties	14	-	-	822,550	1,098,750
Deferred tax assets	15	6,394	10,384	225	112
		4,907,645	5,510,656	4,560,084	4,824,010
Current assets					
Inventory properties under development	6(b)	365,775	207,462	-	-
Inventories	16	422,673	463,260	-	-
Trade receivables	11	869,305	651,549	-	-
Contract assets	12	411,128	440,904	-	-
Other receivables	13	409,366	208,208	479	937
Due from related parties	14	516,798	552,781	1,101,121	695,294
Tax recoverable		31,633	24,254	-	-
Cash and bank balances	17	283,691	526,495	8,642	149,332
		3,310,369	3,074,913	1,110,242	845,563
Assets classified as held for sale	18	10,956	14,584	-	-
		3,321,325	3,089,497	1,110,242	845,563

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2021
cont'd

		Group		Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
Current liabilities					
Trade payables	19	703,012	780,274	-	-
Contract liabilities	12	81,708	101,473	-	-
Other payables	20	210,565	260,394	14,118	16,282
Lease commitment payable	21	4,401	4,067	-	-
Hire-purchase and lease liabilities	22	23,521	30,349	2,731	2,723
Due to related parties	14	273	743	187,967	17,055
Borrowings	25	1,741,318	1,209,783	400,000	200,000
Income tax payable		99,987	3,048	2,331	170
		2,864,785	2,390,131	607,147	236,230
Net current assets		456,540	699,366	503,095	609,333
		5,364,185	6,210,022	5,063,179	5,433,343
Financed by:					
Equity attributable to equity holders of the Company					
Share capital	31	3,212,796	3,212,796	3,212,796	3,212,796
Reserves	32	(1,529,998)	(1,512,183)	3,067	8,552
Retained earnings	32	1,307,339	1,209,562	204,483	187,795
Treasury shares, at cost	31	(381)	(5,336)	(381)	(5,336)
		2,989,756	2,904,839	3,419,965	3,403,807
Perpetual Sukuk	33	818,765	818,081	818,765	818,081
Non-controlling interests	34	(47,299)	(42,150)	-	-
Total equity		3,761,222	3,680,770	4,238,730	4,221,888
Non-current liabilities					
Trade payables	19	98,562	116,543	-	-
Other payables	20	25,267	200,082	211	194
Contract liabilities	12	8,525	69,127	-	-
Lease commitment payable	21	93,549	97,949	-	-
Hire-purchase and lease liabilities	22	167,284	188,042	14,238	1,261
Borrowings	25	1,097,057	1,747,270	810,000	1,210,000
Deferred tax liabilities	15	112,719	110,239	-	-
		1,602,963	2,529,252	824,449	1,211,455
		5,364,185	6,210,022	5,063,179	5,433,343

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF PROFIT AND LOSS

For the Financial Year Ended 31 December 2021

		Group		Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	35	1,699,668	1,704,580	167,648	119,496
Cost of sales	36	(1,579,600)	(1,421,508)	-	-
Gross profit		120,068	283,072	167,648	119,496
Other operating income	37	556,614	61,068	3,270	3,416
Administration expenses		(162,372)	(107,699)	(19,806)	(20,966)
Other expenses		(84,016)	(148,385)	(5,854)	(9,381)
Operating profit		430,294	88,056	145,258	92,565
Finance costs	38	(118,133)	(120,222)	(75,048)	(78,242)
Share of results of associates	9	4,341	5,019	-	-
Share of results of joint ventures	10(b)	(38,627)	(117,733)	-	-
Profit/(loss) before taxation	39	277,875	(144,880)	70,210	14,323
Taxation	40	(137,907)	(34,757)	(6,039)	(3,316)
Profit/(loss) after taxation		139,968	(179,637)	64,171	11,007
Attributable to:					
Equity holders of the Company		97,245	(213,573)	16,158	(31,525)
Holders of Perpetual Sukuk	33	48,013	42,532	48,013	42,532
Non-controlling interests	34	(5,290)	(8,596)	-	-
		139,968	(179,637)	64,171	11,007
Earnings/(loss) per share attributable to equity holders of the Company (sen)					
- Basic	41(i)	6.90	(15.24)		
- Fully diluted	41(ii)	6.90	(15.24)		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2021

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) after taxation	139,968	(179,637)	64,171	11,007
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:				
- Foreign currency translation	(17,735)	(12,727)	-	-
Other comprehensive income/(loss) to be reclassified to retained earnings in subsequent periods:				
- Revaluation of freehold land and buildings	5,548	(1,619)	-	-
Other comprehensive loss for the financial year, net of tax	(12,187)	(14,346)	-	-
Total comprehensive income/(loss) for the financial year	127,781	(193,983)	64,171	11,007
Total comprehensive income/(loss) for the financial year attributable to:				
Equity holders of the Company	84,917	(227,886)	16,158	(31,525)
Holders of Perpetual Sukuk	48,013	42,532	48,013	42,532
Non-controlling interests	(5,149)	(8,629)	-	-
	127,781	(193,983)	64,171	11,007

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2021

		Attributable to equity holders of the Company													
			Non-distributable							Distributable					
	Note	Share capital (Note 31) RM'000	Treasury shares (Note 31) RM'000	Internal reorganisation reserve (Note 32) RM'000	Revaluation reserve (Note 32) RM'000	Other reserve (Note 32) RM'000	Capital reserve (Note 32) RM'000	Equity compensation reserve (Note 32) RM'000	Exchange reserve (Note 32) RM'000	General reserve (Note 32) RM'000	Retained earnings (Note 32) RM'000	Total RM'000	Perpetual Sukuk (Note 33) RM'000	Non-controlling interests (Note 34) RM'000	Total equity RM'000
Group															
At 1 January 2021		3,212,796	(5,336)	(1,554,791)	54,279	2	61,646	9,282	(84,039)	1,438	1,209,562	2,904,839	818,081	(42,150)	3,680,770
Profit/(loss) for the financial year		-	-	-	-	-	-	-	-	-	97,245	97,245	48,013	(5,290)	139,968
Other comprehensive income/(loss)		-	-	-	5,548	-	-	-	(17,876)	-	-	(12,328)	-	141	(12,187)
Total comprehensive income/(loss) for the financial year		-	-	-	5,548	-	-	-	(17,876)	-	97,245	84,917	48,013	(5,149)	127,781
Transactions with owners															
Share dividend distribution to shareholders	42	-	4,955	-	-	-	-	-	-	-	(4,955)	-	-	-	-
Distribution to holders of Perpetual Sukuk	33	-	-	-	-	-	-	-	-	-	-	-	(48,013)	-	(48,013)
Amortisation of transaction cost on issuance of Perpetual Sukuk	33	-	-	-	-	-	-	-	-	-	-	-	684	-	684
Transfer within reserve for ESOS forfeited		-	-	-	-	-	-	(5,485)	-	-	5,485	-	-	-	-
Transfer within reserve		-	-	-	-	(2)	-	-	-	-	2	-	-	-	-
At 31 December 2021		3,212,796	(381)	(1,554,791)	59,827	-	61,646	3,797	(101,915)	1,438	1,307,339	2,989,756	818,765	(47,299)	3,761,222

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2021
cont'd

		Attributable to equity holders of the Company													
			Non-distributable							Distributable					
	Note	Share capital (Note 31) RM'000	Treasury shares (Note 31) RM'000	Internal reorganisation reserve (Note 32) RM'000	Revaluation reserve (Note 32) RM'000	Other reserve (Note 32) RM'000	Capital reserve (Note 32) RM'000	Equity compensation reserve (Note 32) RM'000	Exchange reserve (Note 32) RM'000	General reserve (Note 32) RM'000	Retained earnings (Note 32) RM'000	Total RM'000	Perpetual Sukuk (Note 33) RM'000	Non-controlling interests (Note 34) RM'000	Total equity RM'000
Group															
At 1 January 2020		3,212,796	(7,486)	(1,554,791)	55,898	5	61,646	9,638	(71,345)	1,438	1,434,569	3,142,368	612,665	(33,521)	3,721,512
(Loss)/profit for the financial year		-	-	-	-	-	-	-	-	-	(213,573)	(213,573)	42,532	(8,596)	(179,637)
Other comprehensive loss		-	-	-	(1,619)	-	-	-	(12,694)	-	-	(14,313)	-	(33)	(14,346)
Total comprehensive (loss)/income for the financial year		-	-	-	(1,619)	-	-	-	(12,694)	-	(213,573)	(227,886)	42,532	(8,629)	(193,983)
Transactions with owners															
Share dividend distribution to shareholders	42	-	11,793	-	-	-	-	-	-	-	(11,793)	-	-	-	-
Distribution to holders of Perpetual Sukuk	33	-	-	-	-	-	-	-	-	-	-	-	(42,532)	-	(42,532)
Issuance of Perpetual Sukuk	33	-	-	-	-	-	-	-	-	-	-	-	205,416	-	205,416
Arising from share buy-back	31	-	(9,643)	-	-	-	-	-	-	-	-	(9,643)	-	-	(9,643)
Transfer within reserve for ESOS forfeited		-	-	-	-	-	-	(356)	-	-	356	-	-	-	-
Transfer within reserve		-	-	-	-	(3)	-	-	-	-	3	-	-	-	-
At 31 December 2020		3,212,796	(5,336)	(1,554,791)	54,279	2	61,646	9,282	(84,039)	1,438	1,209,562	2,904,839	818,081	(42,150)	3,680,770

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
For the Financial Year Ended 31 December 2021

	Note	Share capital (Note 31) RM'000	← Non-distributable Treasury shares (Note 31) RM'000	→ Equity compensation reserve (Note 32) RM'000	Distributable Retained earnings (Note 32) RM'000	Perpetual Sukuk (Note 33) RM'000	Total equity RM'000
Company							
At 1 January 2021		3,212,796	(5,336)	8,552	187,795	818,081	4,221,888
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	16,158	48,013	64,171
Transactions with owners							
Share dividend distribution to shareholders	42	-	4,955	-	(4,955)	-	-
Distribution to holders of Perpetual Sukuk	33	-	-	-	-	(48,013)	(48,013)
Amortisation of transaction cost on issuance of Perpetual Sukuk	33	-	-	-	-	684	684
Transfer within reserve for ESOS forfeited		-	-	(5,485)	5,485	-	-
At 31 December 2021		3,212,796	(381)	3,067	204,483	818,765	4,238,730
At 1 January 2020		3,212,796	(7,486)	8,908	230,757	612,665	4,057,640
(Loss)/profit for the financial year, representing total comprehensive (loss)/ income for the financial year		-	-	-	(31,525)	42,532	11,007
Transactions with owners							
Share dividend distribution to shareholders	42	-	11,793	-	(11,793)	-	-
Distribution to holders of Perpetual Sukuk	33	-	-	-	-	(42,532)	(42,532)
Issuance of Perpetual Sukuk	33	-	-	-	-	205,416	205,416
Arising from share buy-back	31	-	(9,643)	-	-	-	(9,643)
Transfer within reserve for ESOS forfeited		-	-	(356)	356	-	-
At 31 December 2020		3,212,796	(5,336)	8,552	187,795	818,081	4,221,888

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
For the Financial Year Ended 31 December 2021

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit/(loss) before taxation	277,875	(144,880)	70,210	14,323
Adjustments for:				
Interest income	(32,782)	(38,941)	(97,145)	(96,265)
Dividend income	-	-	(51,630)	(5,200)
Interest expense	118,133	119,761	75,048	78,242
Finance (income)/cost from financial assets at amortised cost	(2,723)	461	-	-
Net unrealised foreign exchange loss	123	752	-	-
Allowance for expected credit losses:				
- third parties	4,298	4,380	-	-
- arising from receivables from settlement agreement	28,164	-	-	-
Reversal of allowance for expected credit losses	(120)	(18,027)	(141)	(22)
Bad debts written off	853	38	-	-
Intangible asset:				
- amortisation	7,364	7,958	-	-
- impairment	-	5,756	-	-
Property, plant and equipment:				
- depreciation	30,318	26,618	1,086	1,206
- (gain)/loss on disposal	(3,045)	182	-	1
- written off	1,790	3	7	-
Right-of-use assets:				
- depreciation	4,092	3,432	2,900	2,786
- fair value adjustment	4,905	3,270	-	-
- gain on lease modification	(185)	(363)	-	(9)
Net write down/(back) in value of inventory properties:				
- completed inventory properties	13,992	9,238	-	-
- land held for property development	(1,640)	6,165	-	-
Reversal of provision for restoration costs	(5)	-	-	-
Investment properties:				
- fair value (gain)/loss	(2,345)	87,350	-	-
Gain from settlement of arbitration award	(424,379)	-	-	-
Reversal of accrual of costs arising from settlement of arbitration award	(49,284)	-	-	-
Reversal of provision of foreseeable losses for contract assets	-	(58)	-	-
Share of results of associates	(4,341)	(5,019)	-	-
Share of results of joint ventures	38,627	117,733	-	-

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2021
cont'd

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities *cont'd*				
Operating profit/(loss) before changes in working capital	9,685	185,809	335	(4,938)
Working capital changes:				
Development expenditure	15,682	32,449	-	-
Related parties	35,390	(58,282)	41,426	(33,095)
Joint ventures	(1,846)	(1,997)	-	-
Inventories	26,595	(3,235)	-	-
Receivables	487,261	(63,686)	598	99
Payables	(341,983)	(34,011)	(2,164)	(11,097)
Provision for foreseeable losses	(267)	(2)	-	-
Lease commitment payable	(12,432)	(12,434)	-	-
Cash flows generated from/(used in) operations	218,085	44,611	40,195	(49,031)
Taxation paid	(42,800)	(26,629)	(3,991)	(3,863)
Net cash generated from/(used in) operating activities	175,285	17,982	36,204	(52,894)
Cash flows from investing activities				
Dividend received	-	-	51,630	5,200
Interest received	32,782	38,941	97,145	96,265
Purchase of property, plant and equipment	(35,217)	(20,456)	(62)	(73)
Purchase of investment properties	(760)	(12,610)	-	-
Redemption of cumulative redeemable preference shares by an associate	-	4,686	-	-
Additional investment in a joint venture	(60,000)	-	-	-
Dividend received from joint ventures	-	10,394	-	-
Dividend received from associates	3,771	6,033	-	-
Placement of deposits in licensed banks	(4,866)	(16,876)	-	-
Proceeds from disposal of property, plant and equipment	8,404	4,278	-	-
Net cash (used in)/generated from investing activities	(55,886)	14,390	148,713	101,392

STATEMENTS OF CASH FLOWS
For the Financial Year Ended 31 December 2021
cont'd

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities				
Interest paid	(140,078)	(143,838)	(73,986)	(77,179)
Distribution to holders of Perpetual Sukuk	(48,013)	(42,532)	(48,013)	(42,532)
Proceeds from:				
- issuance of Perpetual Sukuk	-	204,500	-	204,500
- term loans	24,698	38,845	-	-
- Sukuk Murabahah	-	100,000	-	100,000
- revolving credits	212,266	210,368	-	-
- trade facilities	40,236	-	-	-
Purchase of treasury shares	-	(9,643)	-	(9,643)
Repayment of:				
- Sukuk Murabahah	(200,000)	-	(200,000)	-
- Medium Term Notes	-	(183,250)	-	(183,250)
- term loans	(99,989)	(86,282)	-	-
- revolving credits	(95,429)	(204,464)	-	-
- trade facilities	-	(4,533)	-	-
Payments of:				
- hire purchase payables	(16,880)	(17,517)	-	-
- lease liabilities	(23,850)	(24,202)	(3,608)	(3,401)
Net cash used in financing activities	(347,039)	(162,548)	(325,607)	(11,505)
Net (decrease)/increase in cash and cash equivalents	(227,640)	(130,176)	(140,690)	36,993
Exchange differences	(19,570)	(7,109)	-	-
Cash and cash equivalents at beginning of the financial year	469,287	606,572	149,332	112,339
Cash and cash equivalents at end of the financial year	222,077	469,287	8,642	149,332

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2021
cont'd

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at reporting date:

		Group		Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	17	283,691	526,495	8,642	149,332
Bank overdrafts	29	-	(460)	-	-
		283,691	526,035	8,642	149,332
Less: Deposits with maturity more than 3 months	17	(32)	(2,566)	-	-
Less: Deposits with licensed banks pledged as security	17	(61,582)	(54,182)	-	-
Total cash and cash equivalents		222,077	469,287	8,642	149,332

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Malaysia”). The registered office and principal place of business of the Company is located at B-30-01, The Ascent, Paradigm, No.1, Jalan SS7/26A, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are that of investment holding and provision of management services to the subsidiaries, joint ventures and associates. The principal activities of the subsidiaries, associates and jointly controlled entities are disclosed in Notes 8, 9 and 10 respectively.

There have been no significant changes in the nature of these principal activities during the financial year.

The financial statements were authorised for issue in accordance with a resolution of the Directors on.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”) and the requirements of the Companies Act 2016 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted the new and revised MFRSs which are mandatory for annual financial periods beginning on or after 1 January 2021 as described fully in Note 2.2.

The financial statements have been prepared on a historical cost basis except otherwise disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (“RM”) and all values are rounded to the nearest thousand (“RM’000”) except when otherwise indicated.

2.2 Changes in accounting policies

On 1 January 2021, the Group and the Company adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2021.

Descriptions	Effective for annual periods beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: *Interest Rate Benchmark Reform - Phase 2*	1 January 2021
Amendment to MFRS 16 Leases: *Covid-19-Related Rent Concessions beyond 30 June 2021*	1 April 2021

The Group and the Company have elected for early application of the Amendments to MFRS 16. However, the adoption of the above standards and interpretation did not have any significant impact on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.3 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Descriptions	**Effective for annual periods beginning on or after**
MFRS 1, MFRS 9, MFRS 16, and MFRS 141: *Annual Improvements to MFRS Standards 2018–2020*	1 January 2022
Amendments to MFRS 3: *Reference to the Conceptual Framework*	1 January 2022
Amendments to MFRS 116: *Proceeds before Intended Use*	1 January 2022
Amendments to MFRS 137: *Onerous Contracts - Cost of Fulfilling a Contract*	1 January 2022
MFRS 17: *Insurance Contracts*	1 January 2023
Amendments to MFRS 17: *Insurance Contracts*	1 January 2023
Amendment to MFRS 17: *Initial Application of MFRS 17 and MFRS 9 - Comparative Information*	1 January 2023
Amendments to MFRS 101: *Classification of Liabilities as Current or Non-current*	1 January 2023
Amendments to MFRS 101: *Disclosure of Accounting Policies*	1 January 2023
Amendments to MFRS 108: *Definition of Accounting Estimates*	1 January 2023
Amendments to MFRS 112: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to MFRS 10 and MFRS 128: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

The Directors expect that the adoption of the above standards will have no material impact on the financial statements in the period of initial application.

2.4 Basis of consolidation

Pursuant to the restructuring in 2013, the Company was introduced as a new parent company. The introduction of the Company constitutes a Group reconstruction and has been accounted for using merger accounting principles as the combination of the companies meet the relevant criteria for merger, thus depicting the combination of those entities as if they have been in the combination for the current and previous financial years.

Business combinations and merger accounting

Business combinations involving entities under common control are accounted for by applying the merger accounting method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the 'acquired' entity is reflected within equity as internal reorganisation reserve.

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.4 Basis of consolidation *cont'd*

Business combinations and merger accounting *cont'd*

Specifically, the Group controls an investee if, and only if, the Group has:

(i) power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) exposure, or rights, to variable returns from its investment with the investee; and

(iii) the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) the contractual arrangement with the other vote holders of the investee;

(ii) rights arising from other contractual arrangements; and

(iii) the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies to be in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at fair value on acquisition date and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its fair value on acquisition date and any resulting gain or loss is recognised in statements of profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.4 Basis of consolidation *cont'd*

Business combinations and goodwill *cont'd*

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9: Financial Instruments is measured at fair value with changes in fair value recognised either as profit or loss or as a charge to OCI. If the contingent consideration is not within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in statements of profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.5 Transactions with non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statements of comprehensive income and within equity in the consolidated statements of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

Profit or loss and each component of OCI are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

2.6 Foreign currencies

The Group's consolidated financial statements are presented in RM, which is also the Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.6 Foreign currencies *cont'd*

(a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

(b) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the reporting date and their statements of comprehensive income are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2.7 Cash dividend and non-cash distribution to equity holders of the parent

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act 2016, a distribution is authorised when it is approved by the shareholders.

A corresponding amount is recognised as a reduction in retained earnings.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.8 Property, plant and equipment

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Land and buildings are measured at valuation less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in statements of profit or loss, the increase is recognised in statements of profit or loss. A revaluation deficit is recognised in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Freehold land has an unlimited useful life and is not depreciated. Building work-in-progress are also not depreciated as these assets are not available for use.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Buildings	3 to 60 years
Plant and machinery	2 to 16 years
Motor vehicles	5 to 16 years
Renovations	5 to 10 years
Office equipment	3 to 10 years
Furniture and fittings	3 to 10 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statements of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.9 Intangible assets

Intangible assets are measured on initial recognition at cost. The cost of intangible asset of the Group comprises cost incurred in relation to a service concession arrangement which includes the refurbishment cost of a terminal building, a car parking area, a business aviation centre and a hangarage complex at the Sultan Abdul Aziz Shah Airport in Subang and the present value of the lease commitments over the concession period.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.9 Intangible assets *cont'd*

Following the initial recognition, the cost of the intangible assets are amortised over the concession period and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category that is consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in statements of profit or loss when the asset is derecognised.

2.10 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to the initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group and the Company hold it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the investment properties. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group and the Company account for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

The estimated value of future assets is based on the expected future income from the project, using risk adjusted yields that are higher than the current yields of similar completed property. The remaining expected costs of completion plus margin are deducted from the estimated future assets value.

2.11 Impairment of non-financial assets

The Group and the Company assess, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group and the Company base their impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs and of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.11 Impairment of non-financial assets *cont'd*

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of the comprehensive income in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group and the Company estimate the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of the comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.12 Non-current assets held for sale

The Group and the Company classify non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amounts and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the sale, excluding the finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of the classification.

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with applicable MFRSs. Then, on initial classification as held for sale, non-current assets or disposal groups (other than investment properties, deferred tax assets, employees benefits assets and financial assets) are measured in accordance with MFRS 5: Non-current Assets Held for Sale that is at the lower of carrying amount and fair value less cost to sell. Any difference are included in profit or loss.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statements of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.13 Subsidiaries

A subsidiary is an entity over which the Group and the Company have all the following:

(i) power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) exposure, or rights, to variable returns from its investment with the investee; and

(iii) the ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.14 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement and have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of comprehensive income reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognise its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of comprehensive income outside operating profit and presents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'share of profit of an associate and a joint venture' in the statement of comprehensive income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.15 Investments in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group as a joint operator recognises in relation to its interest in a joint operation:

(i) its assets, including its share of any assets held jointly;

(ii) its liabilities, including its share of any liabilities incurred jointly;

(iii) its revenue from the sale of its share of the output arising from the joint operation;

(iv) its share of the revenue from the sale of the output by the joint operation; and

(v) its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the MFRSs applicable to the particular assets, liabilities, revenues and expenses.

Profits and losses resulting from transactions between the Group and its joint operation are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the joint operation.

2.16 Financial assets and financial liabilities

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through OCI, and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15. Refer to the accounting policies in Note 2.25.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refers to how they manage their financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

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cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.16 Financial assets and financial liabilities *cont'd*

(i) Financial assets *cont'd*

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in 4 categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at FVTPL.

The Group and the Company have no financial assets carried at fair value through OCI (for both debt and equity instruments) or financial assets carried at FVTPL.

<u>Financial assets at amortised cost (debt instruments)</u>

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost includes trade receivables, cash and bank balances and loan to associates and joint ventures.

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group and the Company have transferred their rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either the Group or the Company:

    (a) have transferred substantially all the risks and rewards of the asset; and

    (b) have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.16 Financial assets and financial liabilities *cont'd*

(i) Financial assets *cont'd*

Derecognition *cont'd*

When the Group and the Company have transferred their rights to receive cash flows from an asset or has entered into a pass-through arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. The Group and the Company apply individual assessment on each individual receivables and recognise a loss allowance based on the individual receivables' exposures to credit losses, adjusted for forward-looking factors specific for the debtor and the economic.

The Group and the Company consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables, amounts due to related parties and loans and borrowings including bank overdrafts.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.16 Financial assets and financial liabilities *cont'd*

(ii) Financial liabilities *cont'd*

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories, financial liabilities at fair value through profit or loss and financial liabilities at amortised cost. The Group and the Company have no financial liabilities carried at FVTPL. The measurement of financial liabilities depends on their classification, as described below:

<u>Trade and other payables, amounts due to related parties</u>

These are subsequently measured at amortised cost using the EIR method.

<u>Loan and borrowings</u>

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.17 Cash and short-term deposits

Cash and short-term deposits in the statements of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's and of the Company's cash management.

2.18 Inventory property

(i) Completed inventory property and inventory property under development

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value ("NRV"). NRV is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.18 Inventory property *cont'd*

(i) Completed inventory property and inventory property under development *cont'd*

Principally, this is property that the Group develops and intends to sell before, or on completion of, development.

Cost incurred in bringing each property to its present location and condition includes:

- Freehold and leasehold rights for land
- Amounts paid to contractors for development
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related costs

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs necessary to make the sale.

When an inventory property is sold, the carrying amount of the property is recognised as an expense in the period in which the related revenue is recognised. The carrying amount of inventory property recognised in profit or loss is determined with reference to the directly attributable costs incurred on the property sold and an allocation of any other related costs based on the relative size of the property sold.

(ii) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as inventory property at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(iii) Consumable stocks

Cost of consumable stocks is determined using the first in, first out method and comprises the cost of purchase plus cost of bringing the goods to its present condition.

Consumable stocks are valued at lower of cost and NRV.

2.19 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. When the Group and the Company expect some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statements of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *cont'd*

2.20 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.21 Medium Term Notes ("MTN")

The MTNs were issued via bought deal basis and are initially recognised at the fair value of the consideration received less direct attributable transaction costs.

2.22 Sukuk Murabahah

Sukuk Murabahah Programme for the issuance of Sukuk ("Sukuk Murabahah") based on the Shariah principle of Murabahah involving Shariah-compliant commodities of up to RM1,500,000,000 in nominal value ("Sukuk Murabahah Programme").

The Sukuk Murabahah are issued under the Shariah principle of Murabahah based on commodity trading (via a Tawarruq arrangement), which is one of the Shariah principles and concepts approved by the Shariah Advisory Council of the Securities Commission Malaysia.

The Sukuk Murabahah are issued via book-building, private placement or bought deal basis and are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

2.23 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave, maternity leave are recognised when the absences occur.

(b) Defined contribution plans

The Group and the Company participate in the national pension scheme as defined by the laws of the countries in which they have operations. The Malaysian companies in the Group make contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension scheme are recognised as an expense in the period in which the related service is performed.

(c) Share-based compensation

Employees of the Group and the Company receive compensation in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's and the Company's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.23 Employee benefits *cont'd*

(c) Share-based compensation *cont'd*

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised.

2.24 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets (Property, plant and equipment)

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land	2 to 128 years
Buildings	2 to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.11 Impairment of non-financial assets.

ii) Right-of-use assets (Investment properties)

Accounting policies on investment properties are disclosed in Note 2.10.

iii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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cont'd

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *cont'd*

2.24 Leases *cont'd*

Group as a lessee cont'd

iii) Lease liabilities cont'd

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Note 23.

iv) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.25 Revenue

Revenue from contracts with customers

The Group and the Company recognise revenue from contracts with customers for the provision of services and sale of goods based on the five-step model as set out below:

(i) Identify contract with a customer

A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

(ii) Identify performance obligations in the contract

A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer. Refer to Note 2.25(a) and Note 2.25(b) for assessment made by the Group and by the Company in identification of performance obligation.

(iii) Determine the transaction price

The transaction price is the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

In determining the transaction price, the Group and the Company consider the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer. Refer to Note 2.25(a) and Note 2.25(b) for assessment made by the Group and by the Company in determining the transaction price.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.25 Revenue *cont'd*

Revenue from contracts with customers *cont'd*

(iv) Allocate the transaction price to the performance obligation(s) in the contract

For a contract that has more than one performance obligation, the Group and the Company allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group and the Company expect to be entitled in exchange for satisfying each performance obligation.

(v) Determine the timing of revenue recognition

The Group and the Company satisfy a performance obligation and recognise revenue over time if the Group's and the Company's performance:

(i) Do not create an asset with an alternative use to the Group and to the Company and have an enforceable right to payment for performance obligation completed to-date; or

(ii) Create or enhance an asset that the customer controls as the asset is created or enhanced; or

(iii) Provide benefits that the customer simultaneously receives and consumes as the Group perform.

For performance obligations where any one of the above conditions is met, revenue is recognised over time as and when the performance obligation is satisfied. Refer to Note 2.25(a) and Note 2.25(b) for assessment made by the Group and the Company in determining the timing of revenue recognition.

For performance obligations that are satisfied over time, the Group and the Company determined that the input method is the best method in measuring progress of the services because there is direct relationship between the Group's and the Company's effort and the transfer of service to the customer.

The Group and the Company exclude the effect of any costs incurred that do not contribute to the Group's and to the Company's performance in transferring control of goods or services to the customer and adjusts the input method for any costs incurred that are not proportionate to the Group's and to the Company's progress in satisfying the performance obligation.

The Group's and the Company's key sources of revenue from contracts with customers and the application of the accounting standard for each of revenue is discussed below.

(a) Revenue from engineering and construction works

(i) Identify performance obligation(s) in the contract

In determining whether there are promises in the contract that are separate performance obligations, the Group assessed that it is responsible for the overall management of the project and identifies various goods and services to be provided based on the contract with the customer which generally include design work, material procurement, site preparation and foundation pouring, framing and plastering, mechanical and electrical work and finishing work. The Group accounts for these items as a single performance obligation because it provides a significant service of integrating the goods and services (the inputs) into the completed property (the combined output) which the customer has contracted to buy.

(ii) Determine the transaction price - financing component

Generally, the Group receives short-term advances from its customers. Using the practical expedient in MFRS 15, the Group does not adjust the promised amount of consideration for the effects of significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less, or is immaterial.

NOTES TO THE FINANCIAL STATEMENTS
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cont'd

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *cont'd*

2.25 Revenue *cont'd*

Revenue from contracts with customers *cont'd*

(a) Revenue from engineering and construction works *cont'd*

(iii) Determine the transaction price - variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. At the end of each reporting period, the Group updates the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

(iv) Determine the timing of revenue recognition

The Group has determined that the performance obligation is satisfied over time as the performance by the Group does not create an asset with alternative use to the Group. The Group has concluded that, at all times, it has an enforceable right to payment for performance completed to date. Therefore, control transfers over time for these contracts.

(b) Revenue from sale of inventory property

(i) Identify performance obligations in the contract

(a) Sale of completed inventory property

The sale of completed inventory property constitutes a single performance obligation as the Directors have assessed and concluded that separate promises (other than the delivery of the completed inventory property) within a contract is immaterial to the overall sale of completed inventory property.

(b) Sale of inventory property under development

In determining whether there are promises in the contract that are separate performance obligations, the Group assessed that it is responsible for the overall management of the project and identifies various goods and services to be provided, including design work, site preparation and foundation pouring, framing and plastering, mechanical and electrical work, installation of fixtures (e.g., windows, doors, cabinetry, etc.) and finishing work. The Group accounts for these items as a single performance obligation because it provides a significant service of integrating the goods and services (the inputs) into the completed property (the combined output) which the customer has contracted to buy.

(ii) Determine the transaction price - financing component

For some contracts involving the sale of inventory property, the Group is entitled to receive an initial deposit. This is not considered a significant financing component because it is for reasons other than the provision of financing to the Group. The initial deposits are used to protect the Group from the counter parties failing to adequately complete some or all of their obligations under the contract where customers do not have an established credit history or have a history of late payments.

In addition, for certain contracts involving the sale of inventory property, the Group may require customers to make progress payments of up to 15.00% of the selling price, as work progresses, that give rise to a significant financing component. The Group adopted the practical expedient for the significant financing component, as it generally expects, at contract inception, that the length of time between when the customers pays for the asset and when the Group transfers the asset to the customer will be 1 year or less.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.25 Revenue *cont'd*

Revenue from contracts with customers *cont'd*

(b) Revenue from sale of inventory property *cont'd*

(iii) Determine the transaction price - consideration payable to the customer

Some contracts with a customer include consideration payable to a customer. Consideration payable to a customer includes cash amounts that the Group pays, or expects to pay, to the customer such as rebate, liquidated ascertained damages, legal fees and maintenance charges paid on behalf of the customer. Consideration payable to a customer is accounted for as a reduction of the transaction price and thus revenue, and should be recognised at the later of when the Group transfers the promised goods or services to the customer or when the Group promises to pay the consideration.

If the consideration payable to the customer contains variable consideration, the Group apply the guidance on variable consideration as described in Note 2.25(a)(iii).

(iv) Determine the timing of revenue recognition

(a) Sale of completed inventory property

The Group has determined that its performance obligation(s) is satisfied at the point in time when control transfers. For unconditional exchange of contracts, transfer of control generally occurs when legal title transfers to the customer. For conditional exchanges, transfer of control generally occurs when all conditions precedent are satisfied.

(b) Sale of inventory property under development

The Group has determined that the performance obligation is satisfied over time as the performance by the Group does not create an asset with alternative use to the Group. The Group has concluded that, at all times, it has an enforceable right to payment for performance completed to date. Therefore, control transfers over time for these contracts.

Other revenue

(a) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(b) Dividend income

Dividend income is recognised in the profit or loss as and when declared or the right to receive payment is established.

(c) Management fees

Management fees are recognised as and when services are rendered.

(d) Rental income

The Group earns revenue from acting as a lessor in operating leases. Rental income arising from operating leases on investment property and hiring of machineries is accounted for on a straight-line basis over the lease term and is included in revenue in the statements of profit or loss due to its operating nature, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
cont'd

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *cont'd*

2.25 Revenue *cont'd*

Other revenue *cont'd*

(d) Rental income *cont'd*

Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Group is reasonably certain that the tenant will or will not exercise that option.

The initial direct costs and tenant lease incentives are presented as current assets in the statements of financial position.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the statements of profit or loss when the right to receive them arises.

(e) Car park income

Revenue from car park operations is recognised as and when services are rendered.

(f) Hotel income

Room income is recognised based on an accruals basis unless collection is in doubt, in which case it is recognised based on receipt basis.

Revenue from the sales of food and beverage is recognised based on invoiced value of goods sold.

2.26 Contract balances

(a) Contract assets and contract liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer.

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Unlike the method used to recognise contract revenue over time, the amounts billed to the customer are based on achievement of the various milestones established in the contract. The amounts recognised as revenue for a given year do not necessarily coincide with the amounts billed to or certified by the customer. In the case of contracts in which the goods or services transferred to the customer exceed the related amount billed, the difference is recognised (as a contract asset) and is presented in the statements of financial position as "Contract assets", whereas in contracts in which the goods or services transferred are lower than the amount billed to the customer, the difference is recognised (as a contract liability) and is presented in the statements of financial position as "Contract liabilities".

Further details on contract assets and contract liabilities are disclosed in Note 12.

(b) Trade receivables

A receivable represents the right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Further details on trade receivables are disclosed in Note 11.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.27 Taxes

(a) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS

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cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.27 Taxes *cont'd*

(b) Deferred tax *cont'd*

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(c) Sales and Service Tax ("SST")

When SST is incurred, SST is recognised as part of the cost of acquisition of the asset or as part of the expense items as applicable as SST is not recoverable from the taxation authority.

Whereas, revenue is recognised net of the amount of SST billed as it is payable to the taxation authority. SST payable to the taxation authority is included as part of payables in the statements of financial position.

2.28 Segment reporting

For management purposes, the Group is organised into operating segments based on its products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 54, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.29 Equity instrument

(a) Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of their liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(b) Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's and of the Company's own equity instruments.

2.30 Perpetual Sukuk

Perpetual Sukuk is classified as equity instruments as there is no contractual obligation to redeem the instrument. Cost directly attributable to the issuance of the instrument, net of tax, are treated as a deduction from the proceeds.

Perpetual Sukuk holders' entitlement is accounted for as a distribution is recognised in the statement of changes in equity in the period in which it is declared or paid.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.31 Contingent assets and liabilities

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company.

2.32 Current versus non-current classification

The Group and the Company present assets and liabilities in statements of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;

- held primarily for the purpose of trading;

- expected to be realised within 12 months after the reporting period; or

- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle;

- it is held primarily for the purpose of trading;

- it is due to be settled within 12 months after the reporting period; or

- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group and the Company classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.33 Fair value measurement

The Group and the Company measure financial instruments, such as, derivatives and non-financial assets such as properties, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or

- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group and by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.33 Fair value measurement *cont'd*

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Senior management determines the policies and procedures for both recurring fair value measurement, such as investment properties, property, plant and equipment and non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, such as properties and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the senior management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Senior management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the senior management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, senior management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Senior management, in conjunction with the Group's external valuers, also compares each of the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in future periods.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS *cont'd*

3.1 Critical judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(a) Revenue from contracts with customers

(i) Identify performance obligations in the contract

With respect to the revenue from engineering and construction works and revenue from sales of inventory under development, the Group concluded the goods and services transferred in each contract constitute a single performance obligation as the Group is responsible for all the goods and services specified in the contracts and the overall management of the project. Although the goods and services are capable of being distinct, the Group accounts for them as a single performance obligation because they are not distinct in the context of the contract. The Group uses those goods and services as inputs and provides a significant service of integrating them into a combined output for which the customer has contracted.

(ii) Determine the timing of revenue recognition

The Group has evaluated the timing of revenue recognition based on a careful analysis of the rights and obligations under the terms of the contract.

The Group has generally concluded that contracts relating to sales of completed properties are recognised at a point in time when control transfers. For unconditional exchanges of contracts, control is generally expected to transfer to the customer together with the legal title. For conditional exchanges, this is expected to take place when all the conditions precedent are satisfied.

For contracts relating to the provision of engineering and construction services and sale of property under development, the Group has considered the factors contained in the contracts and concluded that the control of the assets is transferred to the customer over time because:

- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. That is, the Group has considered various factors that indicate that the customer controls the part-constructed property as it is being constructed, e.g., the fact that the customer is able to pledge the property under development while it is being constructed, the customer's ability to change any specification of the property as it is being constructed. However, none of the factors is determinative and therefore, the Group has carefully weighed all factors and used judgement to determine that it meets the over-time criteria.

- The Group's performance does not create an asset with alternative use to the Group. Furthermore, the Group has an enforceable right to payment for performance completed to date. It has considered the factors that indicate that it is restricted (contractually or practically) from readily directing the property under development for another use during its development. In addition, the Group is at all times entitled to an amount that at least compensates it for performance completed to date (usually costs incurred to date plus a reasonable profit margin). In making this determination, the Group has carefully considered the contractual terms as well as any legislation or legal precedent that could supplement or override those contractual terms.

The Group has determined that the input method is the best method for measuring progress for these contracts because there is a direct relationship between the costs incurred by the Group and the transfer of goods and services to the customer.

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS *cont'd*

3.1 Critical judgements made in applying accounting policies *cont'd*

(b) Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases of land and building with shorter non-cancellable period (i.e., 1 to 3 years). The Group typically exercises its option to renew for these leases. The renewal periods for leases of building with longer non-cancellable periods (i.e., 5 to 10 years) are not included as part of the lease term as these are not reasonably certain to be exercised. In addition, the renewal options for leases of motor vehicles are not included as part of the lease term because the Group typically leases motor vehicles for not more than 5 years and, hence, is not exercising any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Refer to Note 23 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

(c) Property lease classification – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

3.2 Key sources of estimation and uncertainty

The key assumptions concerning the future and other key sources of estimation and uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Measurement of progress when revenue is recognised over time

For contracts that meet the over time criteria of revenue recognition, the Group generally uses the cost incurred method as a measure of progress for its contracts because it best depicts the Group's performance of its obligation. Under this method of measuring progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. When costs are incurred, but do not contribute to the progress in satisfying the performance obligation (such as unexpected amounts of wasted materials, labour or other resources), the Group excludes the effect of those costs. Also, the Group adjusts the input method for any cost incurred that are not proportionate to the Group's progress in satisfying the performance obligation.

(b) Estimation of cost to complete the performance obligation

The Group uses internal quantity surveyors together with project managers to estimate the costs to complete construction and property development contracts. Factors such as escalation of material prices, labour costs and other costs are included in the construction and property development cost based on estimates. In the event of contract variations, the Group engages professional consultants to determine the quantum of the contract variations to be recognised.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS *cont'd*

3.2 Key sources of estimation and uncertainty *cont'd*

(c) Estimation of variable consideration

The Group estimates variable considerations, generally liquidated ascertained damages to be included in the transaction price through project monitoring. Project monitoring is a constant and ongoing process that can identify potentially serious delays in a project.

The Group has a monthly monitoring model which effectively updates each project's progress to date and the completion forecast. For each project, the model used the historical data progress forecast (including costs incurred and milestones reached) and current economic conditions to derive expected completion date of the project. The expected completion date is applied to determine the expected value of the variable consideration. Any significant changes in expectation as compared to historical pattern will impact the expected timing of completion estimated by the Group.

(d) Estimation of net realisable value for inventory property

Inventory property is stated at the lower of cost and NRV.

NRV for completed inventory property is assessed based on an opinion of a qualified independent valuer and comparable transactions identified by the Group for property in the same geographical market serving the same real estate segment.

NRV in respect of inventory property under development is assessed based on an opinion of a qualified independent valuer, less estimated costs to complete the development and the estimated costs necessary to make the sale.

(e) Fair value of property, plant and equipment and investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged independent valuation specialists to assess fair value for land and buildings and investment properties as at 31 December 2021. For investment properties, a valuation methodology either based on a discounted cash flow ("DCF") or comparison method was used. In addition, it measures land and buildings included in property, plant and equipment at revalued amounts with changes in fair value being recognised in OCI. Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the properties.

(f) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounting cash flow model. The cash flows are derived from 5 years forecast and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounting cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

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4. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovations, office equipment, furniture and fittings RM'000	Building work in progress RM'000	Total RM'000
Group							
At 31 December 2021							
Cost/valuation							
At 1 January 2021	28,074	161,048	249,025	62,984	71,086	37,967	610,184
Additions	-	367	9,414	1,183	1,688	28,051	40,703
Disposals	-	-	(9,720)	(2,252)	(54)	-	(12,026)
Written off	-	(793)	(3,769)	(166)	(2,341)	-	(7,069)
Revaluation	4,500	1,971	-	-	-	-	6,471
Exchange differences	-	-	572	60	177	-	809
At 31 December 2021	32,574	162,593	245,522	61,809	70,556	66,018	639,072
Accumulated depreciation and impairment							
At 1 January 2021	-	43,653	155,373	31,588	45,099	-	275,713
Depreciation charge for the financial year	-	5,039	19,447	3,522	6,749	-	34,757
Disposals	-	-	(5,017)	(1,613)	(37)	-	(6,667)
Written off	-	-	(3,607)	(126)	(1,546)	-	(5,279)
Exchange differences	-	-	525	43	168	-	736
At 31 December 2021	-	48,692	166,721	33,414	50,433	-	299,260
Net carrying amount							
At 31 December 2021	32,574	113,901	78,801	28,395	20,123	66,018	339,812

4. PROPERTY, PLANT AND EQUIPMENT *cont'd*

	Freehold land	Buildings	Plant and machinery	Motor vehicles	Renovations, office equipment, furniture and fittings	Machinery work in progress	Building work in progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group *cont'd*								
At 31 December 2020								
Cost/valuation								
At 1 January 2020	28,074	164,092	238,920	66,855	70,266	6,497	28,265	602,969
Additions	-	19	11,190	2,186	2,334	9	10,841	26,579
Disposals	-	-	(5,729)	(5,677)	(112)	-	-	(11,518)
Written off	-	(1,709)	(1,167)	(346)	(2,133)	-	-	(5,355)
Revaluation	-	(2,130)	-	-	-	-	-	(2,130)
Reclassification	-	776	6,083	(20)	806	(6,506)	(1,139)	-
Exchange differences	-	-	(272)	(14)	(75)	-	-	(361)
At 31 December 2020	28,074	161,048	249,025	62,984	71,086	-	37,967	610,184
Accumulated depreciation and impairment								
At 1 January 2020	-	39,309	140,646	31,820	40,142	-	-	251,917
Depreciation charge for the financial year	-	5,945	19,252	3,992	7,362	-	-	36,551
Disposals	-	-	(3,094)	(3,862)	(102)	-	-	(7,058)
Written off	-	(1,709)	(1,165)	(343)	(2,130)	-	-	(5,347)
Reclassification	-	108	-	(9)	(99)	-	-	-
Exchange differences	-	-	(266)	(10)	(74)	-	-	(350)
At 31 December 2020	-	43,653	155,373	31,588	45,099	-	-	275,713
Net carrying amount	28,074	117,395	93,652	31,396	25,987	-	37,967	334,471

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4. PROPERTY, PLANT AND EQUIPMENT *cont'd*

	Renovations, office equipment, furniture and fittings Total RM'000
Company	
At 31 December 2021	
Cost	
At 1 January 2021	8,098
Additions	62
Written off	(46)
At 31 December 2021	8,114
Accumulated depreciation	
At 1 January 2021	5,619
Depreciation charge for the financial year	1,086
Written off	(39)
At 31 December 2021	6,666
Net carrying amount	
At 31 December 2021	1,448
At 31 December 2020	
Cost	
At 1 January 2020	8,028
Additions	73
Disposals	(3)
At 31 December 2020	8,098
Accumulated depreciation	
At 1 January 2020	4,415
Depreciation charge for the financial year	1,206
Disposals	(2)
At 31 December 2020	5,619
Net carrying amount	
At 31 December 2020	2,479

4. PROPERTY, PLANT AND EQUIPMENT *cont'd*

(a) Freehold land is carried at valuation whilst freehold buildings are carried at valuation less accumulated depreciation. All other categories of property, plant and equipment are carried at costs less accumulated depreciation and impairment. Freehold land and buildings in Malaysia were revalued on 31 December 2021 by the Directors based on the valuation performed by Henry Butcher Malaysia Sdn. Bhd. and PA International Property Consultants Sdn. Bhd., professional independent valuers and registered with the Board of Valuers, Appraisers, Estate Agents and Property, Malaysia. Valuations were made using comparison method on the basis of market value. This means that valuations performed by the valuers are based on active market prices, adjusted for differences in the nature, location or condition of the specific property.

If the freehold land and buildings were measured using the cost model, the carrying amounts as at 31 December 2021 would have been as follows:

	Group	
	2021	**2020**
	RM'000	**RM'000**
Freehold land and buildings		
Cost	91,496	91,496
Accumulated depreciation	(14,716)	(13,253)
Net carrying amount	76,780	78,243

Analysis of valuation of freehold land and buildings is as follows:

	Freehold land		Buildings	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Group				
Valuation	32,574	28,074	162,593	161,048
Accumulated depreciation	-	-	(48,692)	(43,653)
	32,574	28,074	113,901	117,395

Significant unobservable valuation input:

	Range	
	2021	**2020**
Price per square foot	RM18 - RM792	RM18 - RM792

Significant increases/(decreases) in estimated price per square foot in isolation would result in a significantly higher/(lower) fair value.

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31 December 2021
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4. **PROPERTY, PLANT AND EQUIPMENT** *cont'd*

(a) *cont'd*

Reconciliation of fair value

	Group	
	2021	2020
	RM'000	RM'000
As at 1 January	145,469	152,857
Level 3 revaluation recognised	6,471	(2,130)
Additions during the financial year	367	19
Written off	(793)	-
Depreciation charge during the financial year	(5,039)	(5,945)
Transferred from building work in progress	-	776
Reclassification	-	(108)
As at 31 December	146,475	145,469

Fair value hierarchy disclosures for freehold land and buildings are disclosed in Note 47(f)(i).

(b) During the financial year, the Group and the Company acquired property, plant and equipment by way of the following:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Cash	35,217	20,456	62	73
Hire purchase	1,369	2,578	-	-
Interest costs capitalised	4,117	3,545	-	-
	40,703	26,579	62	73

(c) The carrying amounts of the property, plant and equipment held under hire purchase arrangements are as follows:

	Group	
	2021	2020
	RM'000	RM'000
Motor vehicles	21,275	22,659
Machineries	31,294	38,245
	52,569	60,904

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
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4. PROPERTY, PLANT AND EQUIPMENT *cont'd*

(d) The freehold land, buildings and building work in progress with an aggregate carrying amount of RM155,955,000 (2020: RM125,796,000) are pledged to financial institutions for term loans obtained as disclosed in Note 27.

(e) Interest costs of RM4,117,000 (2020: RM3,545,000) were capitalised within building work in progress during the financial year as disclosed in Note 38.

5. INTANGIBLE ASSET

	Group	
	2021	**2020**
	RM'000	**RM'000**
Concession asset		
Cost less amortisation		
At 1 January	117,639	131,353
Impairment loss (Note 39(a))	-	(5,756)
Amortisation (Note 39(a))	(7,364)	(7,958)
At 31 December	110,275	117,639

By virtue of the commercial agreement and supplemental commercial agreement signed between Subang SkyPark Sdn. Bhd. ("SSSB"), a subsidiary of the Company, Malaysia Airports Holdings Berhad ("MAHB") and Malaysia Airport Sdn. Bhd. dated 20 August 2010 and 7 March 2013 respectively, SSSB was given the concession right to operate and maintain a commercial retail area, a carpark and a hangarage in the airport terminal of Sultan Abdul Aziz Shah Airport in Subang known as Subang SkyPark Terminal 3 and a business aviation centre.

The concession shall be for a period of 30 years from 4 December 2007 to 3 December 2037, with option for extension of 29 years, to be agreed between SSSB and MAHB. Pursuant to the Sub-lease Agreement dated 4 December 2007 and the Supplement Sub-lease Agreement dated 17 November 2010 signed between SSSB and MAHB, throughout the concession period, SSSB has contractual obligations to make annual lease payment to MAHB which give rise to recognition of lease commitment payables as disclosed in Note 21.

Upon the expiry of the concession period, the Subang SkyPark Terminal 3, car park and hangarage complex shall be handed over by SSSB to MAHB at no cost.

Committed rental proceeds of the retail area at Subang SkyPark Terminal 3 and the business aviation centre are pledged to bank facilities as disclosed in Note 27.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
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6. INVENTORY PROPERTIES UNDER DEVELOPMENT

(a) Land held for property development

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Group				
Cost				
At 1 January 2020	983,681	304,970	436,897	1,725,548
Additions	-	3	54,176	54,179
Reclassification	10,475	(14,784)	4,309	-
Impairment of undeveloped lands (Note 39(a))	(6,165)	-	-	(6,165)
Transferred to inventory properties under development (Note 6(b))	(7,601)	-	(4,639)	(12,240)
Reclassified to assets held for sale (Note 18)	(2,185)	-	(11,612)	(13,797)
At 31 December 2020/ 1 January 2021	978,205	290,189	479,131	1,747,525
Additions	-	2	12,404	12,406
Net write back in value of undeveloped lands (Note 37)	1,640	-	-	1,640
Transferred to inventory properties under development (Note 6(b))	(112,795)	-	(30,749)	(143,544)
At 31 December 2021	867,050	290,191	460,786	1,618,027

(b) Property development costs

	Freehold land RM'000	Development costs RM'000	Total RM'000
Group			
At 31 December 2021			
Cumulative property development costs			
At 1 January 2021	82,286	895,098	977,384
Cost incurred during the financial year	34	143,775	143,809
Reversal of completed projects	(14,133)	(16,063)	(30,196)
Transferred from land held for property development (Note 6(a))	112,795	30,749	143,544
Unsold units transferred to completed inventory properties	(6,986)	(38,709)	(45,695)
At 31 December 2021	173,996	1,014,850	1,188,846
Cumulative costs recognised in statements of profit and loss			
At 1 January 2021	(39,289)	(730,633)	(769,922)
Recognised during the financial year	(3,389)	(79,956)	(83,345)
Reversal of completed projects	14,133	16,063	30,196
At 31 December 2021	(28,545)	(794,526)	(823,071)
Property development costs as at 31 December 2021	145,451	220,324	365,775

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
cont'd

6. **INVENTORY PROPERTIES UNDER DEVELOPMENT** *cont'd*

(b) **Property development costs** *cont'd*

	Freehold land RM'000	Development costs RM'000	Total RM'000
Group *cont'd*			
At 31 December 2020			
Cumulative property development costs			
At 1 January 2020	75,192	836,690	911,882
Cost incurred during the financial year	-	124,327	124,327
Transferred from land held for property development (Note 6(a))	7,601	4,639	12,240
Unsold units transferred to completed inventory properties	(331)	(69,947)	(70,278)
Reclassified to assets held for sale (Note 18)	(176)	(611)	(787)
At 31 December 2020	82,286	895,098	977,384
Cumulative costs recognised in statements of profit and loss			
At 1 January 2020	(29,870)	(639,899)	(669,769)
Recognised during the financial year	(9,419)	(90,734)	(100,153)
At 31 December 2020	(39,289)	(730,633)	(769,922)
Property development costs as at 31 December 2020	42,997	164,465	207,462

The carrying amount of freehold land and development costs included contract cost assets of RM1,366,000 (2020: RM1,989,000) and RM22,004,000 (2020: RM2,863,000) respectively.

The property development costs with a carrying amount of RM173,502,000 (2020: RM164,712,000) are pledged to a financial institution for a term loan obtained as disclosed in Note 27.

Interest costs of RM28,273,000 (2020: RM40,524,000) were capitalised within development costs during the financial year as disclosed in Note 38.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
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7. INVESTMENT PROPERTIES

	Group Investment properties RM'000
Fair value	
At 1 January 2021	1,730,366
Additions	760
Reclassified to assets held for sale (Note 18)	(10,956)
Gain from fair value adjustment (Note 37)	2,345
At 31 December 2021	1,722,515
At 1 January 2020	1,805,106
Additions	12,610
Loss from fair value adjustment (Note 39(a))	(87,350)
At 31 December 2020	1,730,366

	Group	
	2021 RM'000	2020 RM'000
Income derived from investment properties:		
- Rental income (Note 35)	133,985	155,861
- Car park income (Note 35(a)(i))	8,271	9,201
Direct operating expenses (including repair and maintenance) of income generating properties	(22,890)	(26,846)
Fair value adjustment on investment properties (Notes 37 and 39(a))	2,345	(87,350)
Profit arising from investment properties carried at fair value	121,711	50,866

Investment properties with an aggregate carrying amount of RM58,170,000 (2020: RM69,856,000) are held under lease terms.

Investment properties are stated at their fair value as at 31 December 2021. Valuations were performed by Henry Butcher Malaysia Sdn. Bhd., PA International Property Consultants Sdn. Bhd. and C.H. Williams Talhar & Wong, professional independent valuers and registered with the Board of Valuers, Appraisers, Estate Agents and Property, Malaysia in accordance with International Valuation Standards using Investment Method and Comparison Method.

Investment properties with an aggregate carrying amount of RM1,660,745,000 (2020: RM1,656,876,000) are pledged as securities for borrowings as disclosed in Note 27.

Except for investment properties pledged as securities for borrowings, the Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment properties are disclosed in Note 47(f)(i).

Strata titles of certain investment properties with a total net carrying amount of RM45,661,000 (2020: RM57,381,000) are pending issuance by the authorities.

7. INVESTMENT PROPERTIES *cont'd*

Reconciliation of fair value:

	Group			
	Investment properties			
	Office properties	Retail properties	Vacant land	Total
	RM'000	RM'000	RM'000	RM'000
As at 1 January 2020	37,000	1,755,606	12,500	1,805,106
Additions	-	12,610	-	12,610
Loss on fair value adjustments recognised in profit or loss (Note 39(a))	(3,000)	(84,350)	-	(87,350)
As at 31 December 2020/ 1 January 2021	34,000	1,683,866	12,500	1,730,366
Additions	-	760	-	760
Reclassified to assets held for sale (Note 18)	-	(10,956)	-	(10,956)
Gain on fair value adjustments recognised in profit or loss (Note 37)	-	2,345	-	2,345
As at 31 December 2021	34,000	1,676,015	12,500	1,722,515

Description of valuation techniques used and key inputs to valuation of investment properties:

			Range (weighted average)	
	Valuation technique	**Significant unobservable inputs**	**2021**	**2020**
Retail and office properties	Investment method	Estimated rental value per square feet per month	RM1.30 - RM5.55	RM1.26 -RM5.50
		Rent growth per annum	0.00% - 6.00%	0.00% -6.00%
		Long term vacancy rate	5.00% -25.00%	5.00% -25.00%
		Discount rate	5.00% - 7.50%	5.00% - 7.50%
Retail properties	Comparison method	Difference in location, time factor, size and tenure	-25.00% --40.00%	-20.00% --35.00%
Vacant land	Comparison method	Difference in location, time factor, size and tenure	-10.00% -+30.00%	-20.00% -+30.00%

Significant changes to the unobservable inputs would result in significant changes in fair value.

Investment method

Using the investment method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

NOTES TO THE FINANCIAL STATEMENTS
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7. INVESTMENT PROPERTIES *cont'd*

Investment method *cont'd*

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Significant increases/(decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher/(lower) fair value of the properties. Significant increases/(decreases) in the long term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower/(higher) fair value.

Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate (and exit yield), and an opposite change in the long term vacancy rate.

Comparison method

Under the comparison method, a property's fair value is estimated based on comparable transactions. This approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold.

Highest and best use

For investment property that is measured at fair value, the current use of the property is considered the highest and best use.

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021	**2020**
	RM'000	**RM'000**
Unquoted shares, at cost	3,248,914	3,248,914
Redeemable convertible preference shares-A ("RCPS-A")	453,000	453,000
Arising from ESOS granted to subsidiaries' employees	16,112	16,112
	3,718,026	3,718,026

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8. INVESTMENTS IN SUBSIDIARIES *cont'd*

Details of the subsidiaries are as follows:

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest 2021 (%)	2020 (%)
WCT Berhad ("WCTB")	Malaysia	Engineering, construction works and investment holding	100	100
WCT Land Sdn. Bhd. ("WCT Land")	Malaysia	Investment holding	100	100
WCT Equity Sdn. Bhd. (1)	Malaysia	Provision of treasury and fund management services	100	100
Held by WCTB:				
WCT Construction Sdn. Bhd.	Malaysia	Engineering and construction works	100	100
WCT Overseas Sdn. Bhd. (1)	Malaysia	Investment holding	100	100
WCT Plantations Sdn. Bhd. (1)	Malaysia	Plantations*	100	100
WCT Group Sdn. Bhd. (1)	Malaysia	General trading, land and property investment and investment holding*	100	100
Cebarco-WCT W.L.L. (1)	Kingdom of Bahrain	Construction works*	50	50
WCT Engineering Vietnam Company Limited (1)	Vietnam	Construction of civil and industrial projects*	100	100
WCT (S) Pte. Ltd. (1)	Singapore	Investment holding	100	100
Allied WCT L.L.C. (1)	Sultanate of Oman	General on civil constructions*	70	70
Held by WCT (S) Pte. Ltd.:				
WCT-DPN Company Limited (1)	Vietnam	Development and management	70	70
Held by WCT Construction Sdn. Bhd.:				
WCT Machinery Sdn. Bhd	Malaysia	Hiring and repair of machineries	100	100
WCT Products Sdn. Bhd.	Malaysia	Trading of building materials	100	100
Intraxis Engineering Sdn. Bhd. (1)	Malaysia	Construction work	60	60

NOTES TO THE FINANCIAL STATEMENTS
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8. **INVESTMENTS IN SUBSIDIARIES** *cont'd*

Details of the subsidiaries are as follows: *cont'd*

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest 2021 (%)	2020 (%)
Held by WCT Land:				
Gemilang Waras Sdn. Bhd.	Malaysia	Property development	100	100
WCT Properties Sdn. Bhd.	Malaysia	Property investment and trading in properties	100	100
Gabungan Efektif Sdn. Bhd.	Malaysia	Property development	100	100
Labur Bina Sdn. Bhd.	Malaysia	Property development and provision of management service to subsidiaries and related companies	100	100
WCT Land Resources Sdn. Bhd. (1)	Malaysia	Investment holding	100	100
Camellia Tropicana Sdn. Bhd. (1)	Malaysia	Property development	100	100
Atlanta Villa Sdn. Bhd.	Malaysia	Property development	100	100
WCT F&B Management Sdn. Bhd. (1)	Malaysia	Food and beverage management	100	100
WCT Property Management Sdn. Bhd. (1)	Malaysia	Property management	100	100
Urban Courtyard Sdn. Bhd.	Malaysia	Property development	100	100
Platinum Meadow Sdn. Bhd.	Malaysia	Property development	100	100
WCT Premier Development Sdn. Bhd. (1)	Malaysia	Investment holding	100	100
WCT Assets Sdn. Bhd. (1)	Malaysia	Property development*	100	100
WCT Perkasa Sdn. Bhd. (Formerly known as WCT Realty Sdn. Bhd.) (1) (Note 8(a))	Malaysia	Property development	80	100
Pioneer Acres Sdn. Bhd.	Malaysia	Property development	100	100
WCT Acres Sdn. Bhd.	Malaysia	Property development	100	100
Jubilant Courtyard Sdn. Bhd.	Malaysia	Property development	100	100

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8. INVESTMENTS IN SUBSIDIARIES *cont'd*

Details of the subsidiaries are as follows: *cont'd*

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest 2021 (%)	2020 (%)
Held by WCT Land: *cont'd*:				
WCT Hartanah Jaya Sdn. Bhd.	Malaysia	Property investment and development	100	100
One Medini Sdn. Bhd.	Malaysia	Property development	100	100
WCT Pioneer Development Sdn. Bhd. (1)	Malaysia	Property development*	100	100
WCT Malls E-Shop Bhd. (1)	Malaysia	Retail sale of any kind of product over the internet	100	100
WCT Malls Management Sdn. Bhd. (1)	Malaysia	Malls management	100	100
Kekal Kirana Sdn. Bhd.	Malaysia	Property development	100	100
WCT Green Sdn. Bhd. (1)	Malaysia	Construction works and property development	100	100
Skyline Domain Sdn. Bhd. (1)	Malaysia	Investment holding	100	100
WCT (MM2H) Sdn. Bhd. (1)	Malaysia	Property investmentand development*	100	100
WCT REIT Management Sdn. Bhd. (1)	Malaysia	As the manager of WCT Real Estate Investment Trust *	100	100
Held by Labur Bina Sdn. Bhd.:				
Labur Bina Management Sdn. Bhd. (1)	Malaysia	Maintenance and management services on developed property	100	100
Held by WCT Land Resources Sdn. Bhd.:				
BBT Mall Sdn. Bhd. (1)	Malaysia	Building management in investment properties	100	100
BBT Hotel Sdn. Bhd.	Malaysia	Investment in hotel	100	100
Held by WCT Premier Development Sdn. Bhd.:				
WCT OUG Development Sdn. Bhd.	Malaysia	Property development	100	100
Held by Skyline Domain Sdn. Bhd.:				
Subang SkyPark Sdn. Bhd. (1)	Malaysia	Business of development of commercial aviation related infrastructure and facilities together with its management and maintenance	60	60

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8. INVESTMENTS IN SUBSIDIARIES *cont'd*

Details of the subsidiaries are as follows: *cont'd*

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest 2021 (%)	2020 (%)
Held by Subang SkyPark Sdn. Bhd.:				
SkyPark RAC Sdn. Bhd. [1]	Malaysia	Business of development of hangarage complexes and the provision of maintenance, repair, overhaul ("MRO") engineering services	100	100
Held by Subang SkyPark Sdn. Bhd. and SkyPark RAC Sdn. Bhd.:				
SkyPark FBO Malaysia Sdn. Bhd. [1]	Malaysia	Provision of full range of ground services for all aircraft types and model	100	100
Held by WCT Overseas Sdn. Bhd.:				
WCT (International) Private Limited [1]	Republic of Mauritius	Investment holding	100	100
Held by WCT (International) Private Limited:				
WCT (Offshore) Private Limited [1]	Republic of Mauritius	Investment holding	100	100
Held by WCT (Offshore) Private Limited:				
IWM Constructions Private Limited [1]	India	Engineering, procurement and construction	61.9	61.9
WCT Infrastructure (India) Private Limited [1]	India	Investment holding	99.9	99.9

** Intended principal activities*

Subsidiaries are audited by Ernst & Young PLT except for:

(1) *Audited by firms of auditors other than Ernst & Young PLT*

8. INVESTMENTS IN SUBSIDIARIES *cont'd*

The salient terms of RCPS-A are as follows:

(i) The issue price is RM1 per RCPS-A;

(ii) The RCPS-A have a perpetual tenure;

(iii) The RCPS-A's holder shall not be entitled to receive any fixed dividend. Dividend may be declared by the Directors of the issuers at their discretion;

(iv) Upon issuance thereof, the RCPS-A shall not be sold, transferred or assigned without the prior written consent of the Directors of the issuers;

(v) The RCPS-A may be redeemed by the issuers at the redemption price at any time during the tenure at the option of and at the sole discretion of the issuers (subject to the consent of the lender of the issuers, if applicable), and subject to a minimum of 1,000 RCPS-A for each redemption or multiples thereof. For avoidance of doubt, the issuers shall be under no obligation to redeem the RCPS-A from the holder at any particular time;

(vi) The RCPS-A shall be redeemed at a price to be determined by the Directors of the issuers. Where the proposed redemption price is less than the issue price, the same shall be subject to the approval and acceptance of the holder;

(vii) Unless redeemed earlier, the RCPS-A may, at any time and at the discretion of the holder, be converted to ordinary shares of the issuers. The conversion ratio of each RCPS-A shall be fixed at 1 RCPS-A surrendered for cancellation for every 1 new ordinary shares of the issuers; and

(viii) The RCPS-A shall rank pari passu without any preference or priority among themselves, the existing preference shares in issue and any new preference shares which are created and issued which ranks pari passu with the RCPS-A. The RCPS-A rank in priority to the ordinary shares of the issuers but shall rank behind all secured and unsecured obligations of the issuers.

(a) Dilution of interest in a subsidiary arising from issuance of new shares

On 1 October 2021, WCT Perkasa Sdn. Bhd. ("WCT Perkasa") (formerly known as WCT Realty Sdn. Bhd.) issued 998 new ordinary shares ("New Shares") for a total cash consideration of RM998. The New Shares were subscribed by WCT Land (798 New Shares for a total consideration of RM798) and by Perkasa Bumi Padu Sdn. Bhd. (200 New Shares for RM200). Upon assessing the 20% dilution of interest in WCT Perkasa vis-a-vis the shareholder agreement, the Directors have concluded that WCT Perkasa continues to be a subsidiary of the Group.

On 13 October 2021, WCT Perkasa entered into a principal agreement with Yayasan Sabah ("YS") for the acquisition of options to acquire development rights whereby WCT Perkasa is granted options by YS to acquire the sole, exclusive and absolute development rights over each and every of the parcels comprising lands measuring approximately 411.394 acres in total area situated at Lok Kawi, District of Putatan, Sabah. As at reporting date, WCT Perkasa has paid a deposit to YS amounting to RM8,400,000 (Note 13(i)) for the acquisition of development rights over a parcel of land. As at the date of this report, certain conditions precedent have yet to be met.

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8. **INVESTMENTS IN SUBSIDIARIES** *cont'd*

(b) **Material partly-owned subsidiaries**

Financial information of subsidiaries that have material non-controlling interests are provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	Group 2021	Group 2020
Cebarco-WCT W.L.L. ("Cebarco WCT Bahrain")	Kingdom of Bahrain	50%	50%
Subang SkyPark Sdn. Bhd. and its wholly-owned subsidiaries	Malaysia	40%	40%
SkyPark RAC Sdn. Bhd. SkyPark FBO Malaysia Sdn. Bhd. ("SSSB Group")			
Accumulated balances of material non-controlling interests:			
Cebarco WCT Bahrain		4,547	4,406
SSSB Group		(52,148)	(46,494)
Other individually immaterial non-controlling interests		302	(62)
		(47,299)	(42,150)

	Group 2021 RM'000	Group 2020 RM'000
Total comprehensive loss allocated to material non-controlling interests:		
Cebarco WCT Bahrain	141	(1,047)
SSSB Group	(5,654)	(7,601)
Other individually immaterial non-controlling interests	364	19
	(5,149)	(8,629)

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31 December 2021
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8. **INVESTMENTS IN SUBSIDIARIES** *cont'd*

(b) **Material partly-owned subsidiaries** *cont'd*

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of comprehensive income for 2021:

	Cebarco WCT Bahrain RM'000	SSSB Group RM'000	Total RM'000
Revenue	-	22,213	22,213
Cost of sales	(19)	(6,605)	(6,624)
Gross (loss)/profit	(19)	15,608	15,589
Other income	-	1,807	1,807
Administrative expenses	-	(6,969)	(6,969)
Other expenses	-	(9,130)	(9,130)
Finance costs	-	(15,276)	(15,276)
Loss before tax	(19)	(13,960)	(13,979)
Taxation	-	(174)	(174)
Loss for the financial year	(19)	(14,134)	(14,153)
Other comprehensive income/(loss) for the year, net of tax	300	-	300
Total comprehensive income/(loss)	281	(14,134)	(13,853)
Attributable to:			
Non-controlling interests	141	(5,654)	(5,513)
Other individually immaterial non-controlling interests	-	-	364
	141	(5,654)	(5,149)

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8. INVESTMENTS IN SUBSIDIARIES *cont'd*

(b) Material partly-owned subsidiaries *cont'd*

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations. *cont'd*

Summarised statement of comprehensive income for 2020:

	Cebarco WCT Bahrain RM'000	SSSB Group RM'000	Total RM'000
Revenue	-	19,859	19,859
Cost of sales	(1,981)	(4,853)	(6,834)
Gross (loss)/profit	(1,981)	15,006	13,025
Other income	-	3,189	3,189
Administrative expenses	-	(6,190)	(6,190)
Other expenses	-	(15,037)	(15,037)
Finance costs	-	(15,970)	(15,970)
Loss before tax	(1,981)	(19,002)	(20,983)
Taxation	-	-	-
Loss for the financial year	(1,981)	(19,002)	(20,983)
Other comprehensive loss for the year, net of tax	(113)	-	(113)
Total comprehensive loss	(2,094)	(19,002)	(21,096)
Attributable to:			
Non-controlling interests	(1,047)	(7,601)	(8,648)
Other individually immaterial non-controlling interests	-	-	19
	(1,047)	(7,601)	(8,629)

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8. **INVESTMENTS IN SUBSIDIARIES** *cont'd*

(b) **Material partly-owned subsidiaries** *cont'd*

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations. *cont'd*

Summarised statement of financial position as at 31 December 2021:

	Cebarco WCT Bahrain RM'000	SSSB Group RM'000	Total RM'000
Property, plant and equipment	-	7,250	7,250
Intangible asset	-	110,275	110,275
Trade and other receivables (current)	-	7,387	7,387
Cash and bank balances (current)	1,000	6,242	7,242
Trade and other payables			
- Current	(25)	(12,641)	(12,666)
- Non-current	-	(4,000)	(4,000)
Lease commitment payables			
- Current	-	(4,401)	(4,401)
- Non-current	-	(93,549)	(93,549)
Amount due from/(to) related parties/companies (current)	8,118	(83,309)	(75,191)
Interest-bearing loans and borrowings			
- Current	-	(11,146)	(11,146)
- Non-current	-	(37,079)	(37,079)
Others	-	(15,298)	(15,298)
Total equity	9,093	(130,269)	(121,176)
Attributable to:			
Non-controlling interest	4,547	(52,108)	(47,561)
Non-participation in capital subscription	-	(40)	(40)
Other individually immaterial non-controlling interests	-	-	302
Total non-controlling interest	4,547	(52,148)	(47,299)

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8. **INVESTMENTS IN SUBSIDIARIES** *cont'd*

(b) **Material partly-owned subsidiaries** *cont'd*

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations. *cont'd*

Summarised statement of financial position as at 31 December 2020:

	Cebarco WCT Bahrain RM'000	SSSB Group RM'000	Total RM'000
Property, plant and equipment	-	7,882	7,882
Intangible asset	-	117,639	117,639
Trade and other receivables (current)	-	6,673	6,673
Cash and bank balances (current)	10,083	11,970	22,053
Trade and other payables			
- Current	(59)	(10,621)	(10,680)
- Non-current	-	(4,000)	(4,000)
Lease commitment payables			
- Current	-	(4,067)	(4,067)
- Non-current	-	(97,949)	(97,949)
Amount due from/(to) related parties/companies (current)	(1,213)	(72,142)	(73,355)
Interest-bearing loans and borrowings			
- Current	-	(9,750)	(9,750)
- Non-current	-	(46,470)	(46,470)
Others	-	(15,299)	(15,299)
Total equity	8,811	(116,134)	(107,323)
Attributable to:			
Non-controlling interest	4,406	(46,454)	(42,048)
Non-participation in capital subscription	-	(40)	(40)
Other individually immaterial non-controlling interests	-	-	(62)
Total non-controlling interest	4,406	(46,494)	(42,150)

8. INVESTMENTS IN SUBSIDIARIES *cont'd*

(b) Material partly-owned subsidiaries *cont'd*

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations. *cont'd*

	Cebarco WCT Bahrain RM'000	SSSB Group RM'000	Total RM'000
Summarised cash flows information for year ended 31 December 2021:			
Operating activities	(956)	7,741	6,785
Investing activities	-	1,807	1,807
Financing activities	(8,127)	(15,276)	(23,403)
Net decrease in cash and cash equivalents	(9,083)	(5,728)	(14,811)
Summarised cash flows information for year ended 31 December 2020:			
Operating activities	(204)	19,488	19,284
Investing activities	-	3,189	3,189
Financing activities	-	(15,970)	(15,970)
Net (decrease)/increase in cash and cash equivalents	(204)	6,707	6,503

9. INVESTMENTS IN ASSOCIATES

	Group	
	2021 RM'000	2020 RM'000
Unquoted shares, at cost	104,902	104,902
Share of pre-acquisition profit and reserves	(79)	(79)
Group's share of post acquisition profit and reserves	86,214	85,644
	191,037	190,467
Exchange difference	(35,123)	(36,887)
	155,914	153,580
Represented by:		
Group's share of net identifiable assets	155,914	153,580

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31 December 2021
cont'd

9. INVESTMENTS IN ASSOCIATES *cont'd*

Details of the associates are as follows:

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest 2021 (%)	2020 (%)
Held by WCTB:				
KKBWCT Joint Venture Sdn. Bhd. ("KKBWCT") [(1)]	Malaysia	Construction works	30	30
Held by WCT Land:				
CORE Precious Development Sdn. Bhd. ("CORE Precious")	Malaysia	Property development	20	20
Held by WCT (International) Private Limited:				
Gamuda-WCT (Offshore) Private Limited and its subsidiary	Republic of Mauritius	Investment holding: holding company to the concessionaire holder of an expressway	30	30
- Mapex Infrastructure Private Limited ("Mapex")	India	Highway concessionaire	30	30
Suria Holding (Offshore) Private Limited and its subsidiary (Note a)	Republic of Mauritius	Investment holding: holding company to the concessionaire holder of an expressway	30	30
- Emas Expressway Private Limited ("Emas")	India	Highway concessionaire	30	30
Held by WCT (Offshore) Private Limited:				
Gamuda-WCT (India) Private Limited	India	Engineering, procurement and construction works	30	30
Held by WCT Infrastructure (India) Private Limited:				
Perdana Highway Operations Private Limited	India	Investment holding	50	50

(1) *Audited by Ernst & Young PLT. All other associates are audited by firms of auditors other than Ernst & Young PLT.*

9. INVESTMENTS IN ASSOCIATES *cont'd*

All associates have financial year end of 31 March, other than those incorporated in Republic of Mauritius, which have financial year end of 31 July and those incorporated in Malaysia and the Kingdom of Bahrain, which have financial year end of 31 December. For the purpose of applying the equity method of accounting for associates with financial year ends of 31 March and 31 July, the last audited financial statements available and the management financial statements to the end of the accounting period of the associates have been used.

These associates have no material capital commitments as at 31 December 2021 and 2020.

These associates have reported a combined contingent liabilities of RM22,496,000 (2020: RM22,115,000) as at reporting date. The Group's share of these contingent liabilities approximate RM6,749,000 (2020: RM6,635,000) as disclosed in Note 45(d).

(a) Redemption of cumulative redeemable preferences shares ("CRPS") in previous financial year

In the previous financial year, Suria Holdings (Offshore) Private Limited redeemed CRPS held by WCT (International) Private Limited for a total cash consideration of RM4,686,000.

The following table summarises the information of the Group's material associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates.

		KKBWCT	CORE Precious	Mapex	Emas	Other individually immaterial associates	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2021							
(i)	Summarised statements of financial position						
	Non-current assets	2,708	82,529	89	12	240,303	325,641
	Current assets	49,666	329,969	129,506	75,638	66,549	651,328
	Total assets	52,374	412,498	129,595	75,650	306,852	976,969
	Non-current liabilities	(5,701)	(43,161)	-	-	-	(48,862)
	Current liabilities	(38,837)	(100,252)	(14,071)	(11,412)	(2,389)	(166,961)
	Total liabilities	(44,538)	(143,413)	(14,071)	(11,412)	(2,389)	(215,823)
	Net assets	7,836	269,085	115,524	64,238	304,463	761,146
(ii)	Summarised statements of profit and loss and other comprehensive income						
	Revenue	130,115	56,566	-	-	12,966	199,647
	(Loss)/profit for the financial year	(1,007)	10,455	3,273	3,510	1,723	17,954

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9. INVESTMENTS IN ASSOCIATES *cont'd*

The following table summarises the information of the Group's material associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates. *cont'd*

	KKBWCT RM'000	CORE Precious RM'000	Mapex RM'000	Emas RM'000	Other individually immaterial associates RM'000	Total RM'000
2021 *cont'd*						
(iii) Group's share of net assets, representing carrying amount of Group's interest in associates	2,351	53,817	34,657	19,271	27,731	137,827
Foreign exchange effect on investments in subsidiaries of associates	-	-	11,341	6,746	-	18,087
	2,351	53,817	45,998	26,017	27,731	155,914
(iv) Group's share of results of associates						
(Loss)/profit for the financial year	(302)	2,091	982	1,053	517	4,341
(v) Dividend received from associates	-	-	-	-	3,771	3,771
2020						
(i) Summarised statements of financial position						
Non-current assets	2,789	77,701	108	22	232,387	313,007
Current assets	115,856	292,928	141,151	83,280	63,885	697,100
Total assets	118,645	370,629	141,259	83,302	296,272	1,010,107
Non-current liabilities	(8,936)	(79,394)	-	-	-	(88,330)
Current liabilities	(100,866)	(32,605)	(21,556)	(16,927)	(2,511)	(174,465)
Total liabilities	(109,802)	(111,999)	(21,556)	(16,927)	(2,511)	(262,795)
Net assets	8,843	258,630	119,703	66,375	293,761	747,312

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9. INVESTMENTS IN ASSOCIATES *cont'd*

The following table summarises the information of the Group's material associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates. *cont'd*

		KKBWCT RM'000	CORE Precious RM'000	Mapex RM'000	Emas RM'000	Other individually immaterial associates RM'000	Total RM'000
2020 *cont'd*							
(ii)	Summarised statements of profit and loss and other comprehensive income						
	Revenue	82,493	75,120	-	1,359	37,707	196,679
	Finance income	-	-	-	432	-	432
	(Loss)/profit for the financial year	(15,928)	17,290	5,440	14,127	1,563	22,492
(iii)	Group's share of net assets, representing carrying amount of Group's interest in associates	2,653	51,726	35,911	19,913	24,520	134,723
	Foreign exchange effect on investments in subsidiaries of associates	-	-	11,824	7,033	-	18,857
		2,653	51,726	47,735	26,946	24,520	153,580
(iv)	Group's share of results of associates						
	(Loss)/profit for the financial year	(4,778)	3,458	1,632	4,238	469	5,019
(v)	Dividend received from associates	-	-	-	-	6,033	6,033

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10. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

(a) Investments in joint operations

Details of the incorporated/unincorporated joint operations are as follows:

Name of joint operations	Country of operations	Principal activities	Proportion of ownership interest 2021 (%)	2020 (%)
Held by WCTB:				
Malaysia - China Hydro Joint Venture	Malaysia	Construction works	7.7	7.7
Gamuda Berhad - WCT Engineering Berhad Joint Venture [(1)]	Qatar	Engineering and construction of a new highway from the town of Shahaniya to the existing Zekreet interchange near the Dukhan Industrial area in the state of Qatar	49	49
Sinohydro Corporation - Gamuda Berhad - WCT Engineering Berhad Joint Venture ("Sino-Gamuda-WCT") [(1)]	Qatar	Design and construction of the airfield facilities, tunnel and detention pond of the New Doha International Airport ("NDIA") in the state of Qatar	49	49
Gamuda Berhad - WCT Engineering Berhad Joint Venture New Doha International Airport Project [(2)]	Qatar	Design and construction of the airfield facilities, tunnel and detention pond, which forms part of the project comprising the design, construction and completion of the NDIA for Sino-Gamuda-WCT	-	49
AES - WCT Joint Venture	United Arab Emirates	Engineering and construction of infrastructure works	50	50
Arabtec Construction L.L.C. - WCT Engineering Joint Venture	United Arab Emirates	Construction work	50	50
AES - WCT Contracting L.L.C.	United Arab Emirates	Road, bridges and dam contracting	49	49
WCT Berhad - Al-Ali Joint Venture [(1)]	Qatar	Execution of Lusail City Development Project, Construction Package CP07-C-1B, Commercial Boulevard Road D3, Road A4, Internal Roads, Utilities and Underground Car Parks 2, 3, 4 and 5	70	70
WCT-CCCC Joint Venture (Note (i))	Malaysia	Construction works	60	-

[(1)] *Audited by member firms of Ernst & Young Global. All other joint operations are audited by firms of auditors other than Ernst & Young Global.*

[(2)] *Dissolved during the financial year with no gain/loss on dissolution. However, the dissolution resulted in the reclassification from the exchange reserve to realised foreign exchange losses a net foreign currency translation loss of RM492,000 as disclosed in Note 39(a).*

All joint operations are unincorporated except for AES - WCT Contracting L.L.C..

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10. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES *cont'd*

(a) Investments in joint operations *cont'd*

(i) On 21 September 2021, WCTB and China Communications Construction Company (M) Sdn Bhd ("CCCC") entered into a joint venture agreement to set up an unincorporated joint venture on a 60:40 basis with WCTB as the lead partner known as WCT-CCCC Joint Venture (the "New JV"). The New JV had on 8 July 2021 executed a letter of acceptance issued by The Government of Malaysia, represented by Sabah Economic Development and Investment Authority accepting the New JV's tender offer to undertake and act as the main contractor, the project for the Proposed Expansion of Sapangar Bay Container Port on 01200707, 01200809, 015601117 and 015493795 at Jalan Sapangar, Kota Kinabalu for a contract sum of RM899,814,000. The New JV has commenced operations on the said project as at reporting date.

The Group's aggregate share of the current assets, non-current assets, current liabilities, non-current liabilities, income and expenses of the joint operations are as follows:

	Group	
	2021	2020
	RM'000	RM'000
Assets and liabilities		
Current assets	54,622	178,326
Non-current assets	85,724	732,565
Total assets	140,346	910,891
Current liabilities	(122,260)	(551,755)
Non-current liabilities	(32,850)	(272,167)
Total liabilities	(155,110)	(823,922)
Net (liabilities)/assets	(14,764)	86,969
Results		
Revenue	13,622	275,207
Expenses	(48,252)	(208,639)
Other income	41,117	-
Profit before tax	6,487	66,568
Taxation	-	-
Profit after tax	6,487	66,568
Other comprehensive income/(loss) for the financial year, net of tax	4,281	(7,037)
Total comprehensive income	10,768	59,531

During the financial year, WCT Berhad - Al-Ali Joint Venture distributed to its joint venture partners a total of QAR140,000,000 (approximately RM160,715,000) profit distribution of which the Group was entitled to RM112,501,000.

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10. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES *cont'd*

(b) Investments in joint ventures

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Unquoted shares, at cost	414,178	414,178	-	-
Redeemable preference shares ("RPS")	60,000	-	-	-
Group's share of post acquisition profits and reserves	(222,007)	(183,380)	-	-
Unrealised profit	9,890	8,044	-	-
Arising from ESOS granted to joint ventures' employees	777	777	777	777
	262,838	239,619	777	777
Represented by:				
Group's share of net identifiable assets	262,838	239,619	777	777

Details of the joint ventures are as follows:

Name of joint ventures	Country of incorporation	Principal activities	Proportion of ownership interest 2021 (%)	Proportion of ownership interest 2020 (%)
Held by WCT Land:				
Segi Astana Sdn. Bhd. ("Segi Astana")	Malaysia	Concession holder of an integrated complex	70	70
Jelas Puri Sdn. Bhd. ("Jelas Puri")	Malaysia	Property investment and development	70	70
Held by WCTB:				
WCT TSR Sdn. Bhd. ("WCT-TSR")	Malaysia	Construction work	51	51

All joint ventures are audited by Ernst & Young PLT.

10. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES *cont'd*

(b) Investments in joint ventures *cont'd*

Distribution of profits are subject to consents from the joint venture partners and negative covenants of the joint venture borrowing facilities.

During the financial year, the Group via WCT Land, a wholly-owned subsidiary of the Company, increased its investment in Segi Astana through the subscription of RPS by way of cash.

The salient terms of the RPS are as follows:

(i) The issue price is RM1 per RPS;

(ii) The RPS have a perpetual tenure;

(iii) The RPS's holder shall not be entitled to receive any fixed dividend. Dividend may be declared by the Directors of the issuer at their discretion;

(iv) The RPS may be redeemed by the issuer at the redemption price at any time during the tenure at the option of and at the sole discretion of the issuer (subject to the consent of the lenders of the issuer, if applicable), and subject to a minimum of 1,000 RPS for each redemption or multiples thereof. For avoidance of doubt, the issuer shall be under no obligation to redeem the RPS from the holder at any particular time;

(v) The RPS shall be redeemed at a price to be determined by the issuer's shareholders;

(vi) The holder shall have the same rights as ordinary shareholders with regards to receiving notices, reports and audited financial statements and attending general meetings of the issuer;

The holder is however not entitled to vote in person or by proxy or by attorney in a general meeting of the issuer except at such meeting in each of the following circumstances:

(a) Where any dividend or part of the dividend of the RPS has been declared but remains unpaid for more than six (6) months;

(b) On a proposal to reduce the issuer's share capital;

(c) Upon any resolution which varies or is deemed to vary the rights and privileges attaching to the RPS;

(d) Upon any resolution for the winding-up of the issuer; and

(e) Other circumstances as may be provided under Law and applicable to preference shares and/or preference shareholders from time to time.

For the avoidance of doubt, where the RPS holder is entitled to attend a general meeting and to vote by reason of the above matters, the holder shall only be entitled to vote in respect of the above matters only.

(vii) Upon issuance thereof, the RPS shall not be sold, transferred or assigned without the prior written consent of the issuer;

(viii) The RPS shall rank *pari passu* without any preference or priority among themselves, the existing preference shares in issue and any new preference shares which are created and issued which ranks *pari passu* with the RPS. The RPS rank in priority to the ordinary shares of the issuers but shall rank behind all secured and unsecured obligations of the issuers; and

(ix) The issuer shall have the power to create and issue further preference shares ranking in all respects *pari passu* with, but not ranking in priority to the RPS save with the prior approval of the relevant shareholder(s) (where required) and holder(s) of the RPS.

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10. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES *cont'd*

(b) Investments in joint ventures *cont'd*

The following table summarises the information of the Group's joint ventures, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the joint ventures.

	WCT-TSR RM'000	Jelas Puri RM'000	Segi Astana RM'000	Total RM'000
2021				
(i) Summarised statements of financial position				
Non-current assets	29,941	852,597	495,876	1,378,414
Current assets	105,883	205,774	90,094	401,751
Total assets	135,824	1,058,371	585,970	1,780,165
Non-current liabilities	(4,698)	(321,304)	(337,161)	(663,163)
Current liabilities	(122,304)	(542,048)	(74,772)	(739,124)
Total liabilities	(127,002)	(863,352)	(411,933)	(1,402,287)
Net assets	8,822	195,019	174,037	377,878
(ii) Summarised statements of profit and loss and other comprehensive income				
Revenue	131,200	158,083	46,018	335,301
Profit/(loss) for the financial year	2,745	(26,653)	(30,529)	(54,437)
(iii) Group's share of net assets, representing carrying amount of Group's interest in joint ventures	4,499	136,513	121,826	262,838
(iv) Group's share of results of joint ventures	1,400	(18,657)	(21,370)	(38,627)

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10. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES *cont'd*

(b) Investments in joint ventures *cont'd*

The following table summarises the information of the Group's joint ventures, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the joint ventures *cont'd*.

	WCT-TSR RM'000	Jelas Puri RM'000	Segi Astana RM'000	Total RM'000
2020				
(i) Summarised statements of financial position				
Non-current assets	11,428	852,516	512,718	1,376,662
Current assets	37,312	250,021	107,021	394,354
Total assets	48,740	1,102,537	619,739	1,771,016
Non-current liabilities	(714)	(375,144)	(370,063)	(745,921)
Current liabilities	(41,949)	(508,121)	(131,062)	(681,132)
Total liabilities	(42,663)	(883,265)	(501,125)	(1,427,053)
Net assets	6,077	219,272	118,614	343,963
(ii) Summarised statements of profit and loss and other comprehensive income				
Revenue	54,684	73,779	84,976	213,439
Profit/(loss) for the financial year	2,392	(133,577)	(36,355)	(167,540)
(iii) Group's share of net assets, representing carrying amount of Group's interest in joint ventures	3,099	153,490	83,030	239,619
(iv) Group's share of results of joint ventures	1,220	(93,504)	(25,449)	(117,733)
(v) Dividend received from joint ventures	-	-	10,394	10,394

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11. TRADE RECEIVABLES

	Group	
	2021	2020
	RM'000	RM'000
Current		
Trade receivables	611,507	514,312
Retention sum on contracts receivable within 1 year	266,834	145,186
	878,341	659,498
Less: Allowance for expected credit losses	(9,036)	(7,949)
	869,305	651,549
Non-current		
Trade receivables	-	20,606
Retention sum on contracts receivable after 1 year	245,849	439,059
	245,849	459,665
Total	1,115,154	1,111,214

Included in the Group's trade receivables in the previous financial year were certain amounts relating to the enforcement of an arbitration award disclosed in Note 50(a). Following an amicable settlement reached between the Group and the customer during the financial year, the receivable amount has been de-recognised. The amount receivable from the settlement of the arbitration award is disclosed in Note 13(iv).

(a) Credit risk

The Group's primary exposure to credit risk arises from its trade receivables. The normal credit term ranges from 30 to 90 days (2020: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis. Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and controls relating to customer credit risk management. The Group seeks to maintain strict control over its outstanding receivables and provision for expected credit losses is performed at each reporting date. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest bearing.

As at the reporting date, management has taken the current market conditions into account when assessing the credit quality of contract and trade receivables. Each business unit also hold regular meetings with contract customers to renegotiate payment terms and to ensure the credit-worthiness of the ultimate end-users.

At the reporting date, the Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risks related to any financial assets other than an amount of RM539,153,000 (2020: RM288,890,000) due from 3 (2020: 3) companies in which a Director has interest, representing approximately 48% (2020: 26%) of the gross trade receivables of the Group. Of the total trade receivable amount, a total of RM218,883,000 (2020: RM182,340,000) is retention sum. Further information is disclosed in Note 47(e).

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11. TRADE RECEIVABLES *cont'd*

(a) Credit risk *cont'd*

The ageing of trade receivables as at the end of the financial year was:

	Gross RM'000	Individual impairment RM'000	Net RM'000
Group			
2021			
Not past due	696,259	-	696,259
Past due 0-30 days	51,848	-	51,848
Past due 31-120 days	164,602	-	164,602
Past due more than 120 days	211,481	(9,036)	202,445
	1,124,190	(9,036)	1,115,154
2020			
Not past due	875,970	-	875,970
Past due 0-30 days	47,689	-	47,689
Past due 31-120 days	107,347	-	107,347
Past due more than 120 days	88,157	(7,949)	80,208
	1,119,163	(7,949)	1,111,214

Movements of the allowance for expected credit losses of trade receivables are as follows:

	Group	
	2021 RM'000	2020 RM'000
At 1 January	7,949	27,849
Charge for the financial year	4,235	4,380
Written off	(3,037)	(6,805)
Reversal of allowance	(111)	(17,600)
Exchange differences	-	125
At 31 December	9,036	7,949

Receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the Group's receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired are related to customers with good track records with the Group or those with ongoing transactions or progressive payments.

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12. CONTRACT BALANCES

	Group	
	2021	2020
	RM'000	RM'000
Contract assets		
Current		
Contract assets - construction (Note (a))	385,008	412,486
Contract assets - property development (Note (b))	26,120	28,418
	411,128	440,904
Non-current		
Contract assets - construction (Note (a))	-	224,669
Total	411,128	665,573
Contract liabilities		
Current		
Contract liabilities - construction (Note (a))	(81,708)	(101,473)
Non-current		
Contract liabilities - construction (Note (a))	(8,525)	(69,127)
Total	(90,233)	(170,600)

(a) Details of the contracts assets/(liabilities) from construction are as follows:

	Group	
	2021	2020
	RM'000	RM'000
Aggregate costs incurred to date	9,130,560	9,371,188
Add: Attributable profits	40,982	131,352
	9,171,542	9,502,540
Less: Progress billings	(8,830,623)	(8,910,709)
Less: Advances received from customers on contracts	(46,144)	(125,276)
	294,775	466,555
Presented as:		
Contract assets - construction	385,008	637,155
Contract liabilities - construction	(90,233)	(170,600)
	294,775	466,555
Contract revenue recognised during the financial year (Note 35(a)(i))	1,167,297	1,195,933
Contract cost recognised during the financial year (Note 36)	(1,276,501)	(1,145,216)

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12. CONTRACT BALANCES *cont'd*

(a) Details of the contracts assets/(liabilities) from construction are as follows *cont'd*:

The costs incurred to date on construction contracts include the following charges made during the financial year:

	Group	
	2021	2020
	RM'000	RM'000
Audit fees	105	148
Wages and salaries	52,424	57,606
Other staff related expenses	13,367	12,805
Hiring of machineries	62,317	56,850
Expense relating to short-term leases and leases of low-value assets (Note 23)	3,309	3,008
Interest expense on lease liabilities (Note 38)	149	250
Unwinding of discount (Note 23)	1	-
Depreciation of right-of-use assets (property, plant and equipment) (Note 23)	1,645	3,169
Depreciation of property, plant and equipment	4,439	9,933
Property, plant and equipment written off	-	5

(b) Details of the contracts assets from property development are as follows:

	Group	
	2021	2020
	RM'000	RM'000
At beginning of the financial year	28,418	55,446
Consideration payable to customers	1,516	5,672
Revenue recognised during the financial year (Note 35(a)(i))	299,218	259,949
	329,152	321,067
Less: Progress billings during the financial year	(303,032)	(292,649)
At end of the financial year	26,120	28,418
Presented as:		
Contract assets - property development	26,120	28,418
Contract revenue recognised during the financial year (Note 35(a)(i))	299,218	259,949
Contract cost recognised during the financial year (Note 36)	189,764	168,853

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13. OTHER RECEIVABLES

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Current				
Sundry receivables	26,113	15,119	28	342
Deposits (Note (i))	48,884	28,844	5	5
Advances to subcontractors (Note (ii))	157,703	163,883	-	-
Prepayments	4,487	4,111	446	590
Advances to shareholders of joint operations (Note (iii))	5,668	7	-	-
Advances to non-controlling interests of subsidiaries (Note (iii))	4,809	778	-	-
Settlement from arbitration award (Note (iv), Note 50(a))	165,949	-	-	-
	413,613	212,742	479	937
Less: Allowance for expected credit losses	(4,247)	(4,534)	-	-
	409,366	208,208	479	937
Non-current				
Deposits	8,068	8,305	148	149
Sundry receivables	385	736	-	-
Advances to subcontractors	-	54,460	-	-
Prepayments	1,390	2,166	-	139
Settlement from arbitration award (Note (iv), Note 50(a))	299,788	-	-	-
Performance security deposit (Note (iv), Note 50(a))	-	253,574	-	-
	309,631	319,241	148	288
Less: Allowance for expected credit losses	(28,164)	-	-	-
	281,467	319,241	148	288
Total	690,833	527,449	627	1,225

(i) Included in deposits is RM8,400,000 (2020: Nil) paid to YS for the acquisition of development rights to a parcel of land as disclosed in Note 8(a).

(ii) The Group's outstanding advances to subcontractors in excess of 1 year as at 31 December 2021 amounted to RM41,073,000 (2020: RM45,013,000). These advances mainly comprise payment for purchase of project materials on behalf of subcontractors. The Directors, having considered all available information, are of the opinion that these debts are collectible in full and require no further allowance for expected credit loss. These advances will be recouped through deduction from work to be performed by subcontractors.

(iii) These advances represent the portion attributable to shareholders of joint operations and non-controlling interests of subsidiaries arising from advance from the Group to the respective joint operations and subsidiaries. These advances are unsecured, non-interest bearing and the repayment term is repayable on demand.

(iv) Included in the Group's performance security deposit in the previous financial year were certain amounts relating to the enforcement of an arbitration award as disclosed in Note 50(a). Following an amicable settlement reached between the Group and the customer during the financial year, the receivable amount has been redesignated as settlement of arbitration award.

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13. OTHER RECEIVABLES *cont'd*

Credit risk

Movements of the allowance for expected credit losses of other receivables are as follows:

	Group	
	2021	**2020**
	RM'000	**RM'000**
At 1 January	4,534	6,780
Charge for the financial year	28,227	-
Written off	(380)	(1,777)
Reversal of allowance	(9)	(427)
Exchange differences	39	(42)
At 31 December	32,411	4,534

As at the reporting date, the Group's maximum exposure to credit risk is represented by carrying amount of each class of financial assets recognised in the statements of financial position.

14. DUE FROM/(TO) RELATED PARTIES

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Due from related parties:				
Current				
Subsidiaries				
- current accounts				
- interest bearing	-	-	904,211	566,230
- non-interest bearing	-	-	193,870	126,659
Associates				
- trade accounts				
- interest bearing	4,658	68,166	-	-
- non-interest bearing	8,797	19,138	-	-
- current accounts				
- non-interest bearing	360	600	249	488
Joint ventures				
- trade accounts				
- interest bearing	220,946	235,608	-	-
- non-interest bearing	9,706	982	-	-
- current accounts				
- interest bearing	264,320	221,284	-	-
- non-interest bearing	8,011	7,003	2,791	2,058
	516,798	552,781	1,101,121	695,435
Less: Allowance for expected credit losses	-	-	-	(141)
	516,798	552,781	1,101,121	695,294

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14. DUE FROM/(TO) RELATED PARTIES *cont'd*

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Due from related parties: *cont'd*				
Non-current				
Subsidiaries				
- current accounts				
- interest bearing	-	-	822,550	1,098,750
	516,798	552,781	1,923,671	1,794,044
Due to related parties:				
Current				
Subsidiaries				
- current accounts				
- interest bearing	-	-	(186,612)	(17,005)
- non-interest bearing	(17)	-	(1,355)	(50)
Joint ventures				
- current accounts				
- non-interest bearing	(256)	(743)	-	-
	(273)	(743)	(187,967)	(17,055)

Movements of the allowance for expected credit losses of related parties are as follows:

	Company	
	2021 RM'000	2020 RM'000
At 1 January	141	163
Charge for the financial year	-	36
Reversal of allowance	(141)	(58)
At 31 December	-	141

Further details on related party transactions and information on financial risks are disclosed in Notes 43 and 47 respectively.

Balances with related parties are unsecured, bear interest ranging from 5.00% to 6.00% (2020: 5.00% to 6.00%) per annum during the financial year.

Trade accounts have a credit terms of 90 days (2020: 90 days) whereas current accounts are repayable on demand.

15. DEFERRED TAXATION

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At 1 January	99,855	87,592	(112)	(747)
Recognised in the profit or loss (Note 40)	5,547	12,774	(113)	635
Recognised in equity (Note 40)	923	(511)	-	-
At 31 December	106,325	99,855	(225)	(112)

15. DEFERRED TAXATION *cont'd*

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Presented after appropriate offsetting as follows:				
Deferred tax assets	(6,394)	(10,384)	(225)	(112)
Deferred tax liabilities	112,719	110,239	-	-
	106,325	99,855	(225)	(112)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group:

	Provision for foreseeable losses	Other payables	Unused tax losses and unabsorbed capital allowances	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	(2,644)	(331)	(29,064)	(32,039)
Recognised in the profit or loss	-	906	174	1,080
At 31 December 2021	(2,644)	575	(28,890)	(30,959)
At 1 January 2020	(2,644)	(11,750)	(25,464)	(39,858)
Recognised in the profit or loss	-	11,419	(3,600)	7,819
At 31 December 2020	(2,644)	(331)	(29,064)	(32,039)

Deferred tax liabilities of the Group:

	Inventory properties under development	Asset revaluation	Accelerated capital allowances	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	17,875	59,290	47,574	7,155	131,894
Recognised in the profit or loss	3,595	111	3,629	(2,868)	4,467
Recognised in equity	-	923	-	-	923
At 31 December 2021	21,470	60,324	51,203	4,287	137,284
At 1 January 2020	8,054	69,133	44,160	6,103	127,450
Recognised in the profit or loss	9,821	(9,332)	3,414	1,052	4,955
Recognised in equity	-	(511)	-	-	(511)
At 31 December 2020	17,875	59,290	47,574	7,155	131,894

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

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15. DEFERRED TAXATION *cont'd*

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax assets of the Company:

	Other payables RM'000
At 1 January 2021	(144)
Recognised in the profit or loss	(85)
At 31 December 2021	(229)
At 1 January 2020	(767)
Recognised in the profit or loss	623
At 31 December 2020	(144)

Deferred tax liabilities of the Company:

	Accelerated capital allowances RM'000
At 1 January 2021	32
Recognised in the profit or loss	(28)
At 31 December 2021	4
At 1 January 2020	20
Recognised in the profit or loss	12
At 31 December 2020	32

The amounts of unused tax losses and unabsorbed capital allowances of which no deferred tax assets are recognised in the statements of financial position are as follows:

	Group	
	2021 RM'000	2020 RM'000
Unused tax losses	296,858	106,893
Unabsorbed capital allowances	31,097	25,933
Unused tax losses in foreign countries	300	240
Unused tax losses in foreign branches	165,359	181,159
	493,614	314,225
Deferred tax at rates prevailing in the respective jurisdictions, if recognised	95,290	50,030

Deferred tax assets have not been recognised in respect of these items as they have arisen in entities that have a recent history of losses or in entities where future taxable profits may be insufficient to trigger the utilisation of these items.

15. DEFERRED TAXATION *cont'd*

Section 44(5A) and Paragraph 75A of Schedule 3 of the Malaysian Income Tax Act, 1967 which became effective in year of assessment 2006 restricts the utilisation of unused business losses and unabsorbed capital allowances where there is a substantial change in the ordinary shareholder of a company. The test for determining whether there is a substantial change in shareholders is carried out by comparing the shareholders on the last day of the basis period in which the unused losses or unabsorbed capital allowances were ascertained with those on the first day of the basis period in which the unused losses or unabsorbed capital allowances are to be utilised.

Pursuant to guidelines issued by the Malaysian tax authorities in 2008, the Ministry of Finance has exempted all companies from the provision of Section 44(5A) and Paragraph 75A of Schedule 3 except dormant companies. Therefore, all active subsidiaries are allowed to carry forward their unabsorbed capital allowances and unused business losses.

Under New Section 44(5F) of the Income Tax Act 1967, unused business losses up to the year of assessment 2018 shall be deductible against the aggregate of statutory incomes until the year of assessment 2025. Any amount that has not been deducted at the end of the year of assessment 2025 shall be disregarded.

Any unused business losses for the year of assessment 2019 onwards shall be deductible for a maximum period of 10 (2020: 7) consecutive years of assessment immediately following that year of assessment. Any amount which is not deductible at the end of the period of 10 (2020: 7) years of assessment shall be disregarded.

Under provisions of Article (7) of Law No.24 of 2018 of the Qatari Tax Law, unused business losses shall not be carried forward for more than 5 years after the end of the taxable year during which they are incurred.

16. INVENTORIES

	Group	
	2021	2020
	RM'000	RM'000
Consumable stocks, at cost	375	330
Completed inventory properties, at cost	139,573	137,803
Completed inventory properties, at net realisable value	282,725	325,127
	422,673	463,260
Costs of inventories recognised as an expense	(121,638)	(120,286)

Certain properties held for sale with an aggregate carrying amount of RM2,344,000 (2020: RM2,344,000) are in the process of being registered in a subsidiary's name.

Certain properties held for sale with an aggregate carrying amount of RM99,228,000 (2020: RM70,278,000) are pledged as securities for borrowings as disclosed in Notes 26 and 27.

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17. CASH AND BANK BALANCES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Deposits:				
With licensed banks [a]	86,710	185,164	3,100	53,900
With licensed banks [a, b]	61,582	54,182	-	-
	148,292	239,346	3,100	53,900
Cash and bank balances	123,762	257,475	5,542	95,432
Cash held under Housing Development Accounts [c]	10,916	28,897	-	-
Escrow account	721	777	-	-
	135,399	287,149	5,542	95,432
Total cash and bank balances	283,691	526,495	8,642	149,332

(a) The maturities of the deposits are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Less than 3 months	148,260	236,780	3,100	53,900
More than 3 months but less than 1 year	32	2,566	-	-
	148,292	239,346	3,100	53,900

(b) Deposits with licensed banks of the Group are pledged to banks to secure banking facilities.

(c) The cash held under Housing Development Accounts are amounts held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and are therefore restricted from use in other operations.

Other information on financial risks of cash and bank balances are disclosed in Note 47.

18. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	Group	
	2021 RM'000	2020 RM'000
Assets		
Arising from disposal of inventory properties under development:		
Land held for property development (Note (a))	-	13,797
Property development costs (Note (b))	-	787
Arising from disposal of investment properties (Note (c))	10,956	-
	10,956	14,584

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18. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE *cont'd*

(a) On 30 December 2020, Labur Bina Sdn. Bhd. ("LBSB"), an indirect wholly-owned subsidiary of the Company, received an offer from a third party for the purchase of 3 parcels of freehold land held under Geran No. 59808 (Lot 83189), Geran No. 94932 (Lot 84200) and Geran No. 95201 (Lot 84201) measuring approximately 64,954 square metres, located at Pekan Pandamaran, District of Klang, State of Selangor for a total consideration of RM69,916,000. LBSB accepted the offer on 18 January 2021 and has entered into a sale and purchase agreement with the third party on 1 March 2021. The transaction was completed on 18 October 2021.

(b) On 20 December 2020, Gabungan Efektif Sdn. Bhd. ("GESB"), an indirect wholly-owned subsidiary of the Company, received an offer from a third party for the purchase of a parcel of freehold land held under Geran No. 321537 (Lot 167797) measuring approximately 1,439 square metres, located at Mukim Klang, District of Klang, State of Selangor for a total consideration of RM929,000. GESB entered into a sale and purchase agreement with the third party on 23 February 2021. The transaction was completed on 27 May 2021.

(c) On 13 January 2022, WCT Construction Sdn. Bhd., an indirect wholly-owned subsidiary of the Company, entered into an agreement with a third party for the disposal of 43 vacant commercial units within a commercial building named Riverson - The Walk located in Kota Kinabalu, Sabah for a total consideration of RM21,911,000. Pursuant to the agreement, the disposal of the 43 vacant commercial units is to be completed on a piecemeal basis over 24 months commencing January 2022. As at reporting date, 22 vacant commercial units amounting to RM10,956,000 were reclassified as non-current assets held for sale (because as at reporting date the assets, being available for immediate sale in its present condition, will be recovered principally through a sale transaction rather than through continuing use, and that the sale is highly probable). The remaining vacant commercial units to be disposed during the financial year ending 31 December 2022 remain as investment properties of the Group as it is not probable for the disposal of these remaining vacant commercial units to be completed within the next 12 months from reporting date in accordance with MFRS 5: Non-current Assets Held for Sale and Discontinued Operations.

19. TRADE PAYABLES

	Group	
	2021	**2020**
	RM'000	**RM'000**
Current		
Trade payables [(a)]	549,062	646,369
Retention sum on contracts payable within 1 year	153,950	133,905
	703,012	780,274
Non-current		
Trade payables	-	5,497
Retention sum on contracts payable after 1 year	98,562	111,046
	98,562	116,543
Total	801,574	896,817

(a) Included in trade payables is accrual of costs arising from an arbitration award amounting to RM26,837,000 (2020: RM51,069,000). Further details on the arbitration award are disclosed in Note 50(b).

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2020: 30 to 90 days).

In the previous financial year, details of trade payables subject to enforcement of an arbitration award are disclosed in Note 50(a).

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20. OTHER PAYABLES

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Current				
Sundry payables [(a)]	20,590	7,544	116	269
Accruals [(b)]	69,768	141,548	1,777	2,066
Interest payable	18,106	26,847	11,667	13,410
Provision for foreseeable losses [(c)]	-	267	-	-
Advances from a non-controlling interest of subsidiaries				
- non-interest bearing	268	1,397	-	-
Advances from shareholders of joint ventures				
- non-interest bearing	43,500	41,411	-	-
Refundable deposits [(d)]	45,194	19,819	-	-
Others	13,139	21,561	558	537
	210,565	260,394	14,118	16,282
Non-current				
Sundry payables [(a)]	9,507	-	-	-
Other payables [(e)]	-	180,504	-	-
Advances from a non-controlling interest of a subsidiary				
- non-interest bearing	4,000	4,000	-	-
Provision for restoration cost (Note 23)	87	65	211	194
Refundable deposits	11,673	15,513	-	-
	25,267	200,082	211	194
Total	235,832	460,476	14,329	16,476

All amounts due under other payables are unsecured, non-interest bearing and are repayable on demand.

(a) Included in sundry payables are commissions payable arising from settlement of the arbitration award amounting to RM15,315,000 (2020: Nil). Further details on the arbitration award are disclosed in Note 50(a).

(b) Included in accruals in the previous financial year were additional costs arising from an arbitration award amounting to RM93,169,000. Of the entire amount accrued, a reversal for an over-accrual of RM49,284,000 (Note 37) was made during the financial year following the execution of a settlement agreement as disclosed in Note 50(b).

(c) Movements in the provision for foreseeable losses are as follows:

	Group	
	2021	2020
	RM'000	RM'000
At 1 January	267	269
Utilised during the financial year	(267)	(2)
At 31 December	-	267

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20. OTHER PAYABLES *cont'd*

(d) Included in deposits as at reporting date was an amount of RM21,430,000 (2020: Nil) received from a third party for the disposal of 12 parcels of vacant freehold land, all located in Serendah, Daerah Ulu Selangor, Negeri Selangor Darul Ehsan, currently classified as land held for development (the "Serendah Land"). The Group via Jubilant Courtyard Sdn. Bhd. (an indirect wholly-owned subsidiary of the Company) entered into a sale and purchase agreement with a third party on 16 August 2021 to dispose the Serendah Land for a total cash consideration of RM214,297,000. The transaction has yet to be completed as at the date of this report.

(e) In the previous financial year, details of other payables subject to enforcement of an arbitration award are disclosed in Note 50(a).

21. LEASE COMMITMENT PAYABLE

	Group	
	2021	**2020**
	RM'000	**RM'000**
Future minimum lease payments:		
Not later than 1 year	12,433	12,433
Later than 1 year and not later than 2 years	12,797	12,433
Later than 2 years and not later than 5 years	38,775	38,392
Later than 5 years	106,151	119,330
Total future minimum lease payments	170,156	182,588
Less: Future finance charges	(72,206)	(80,572)
Present value of finance lease liabilities	97,950	102,016
Analysis of present value of lease commitment payables:		
Not later than 1 year	4,401	4,067
Later than 1 year and not later than 2 years	5,126	4,401
Later than 2 years and not later than 5 years	18,424	16,674
Later than 5 years	69,999	76,874
	97,950	102,016
Less: Amount due within 12 months	(4,401)	(4,067)
Amount due after 12 months	93,549	97,949

The Group's lease commitment payables arose from the acquisition of 60.00% equity interest in SSSB in the previous financial years. The lease commitment payables are in relation to the concession assets recognised as intangible assets as disclosed in Note 5.

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22. HIRE-PURCHASE AND LEASE LIABILITIES

		Group		Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
Current					
Hire purchase payables	24	9,234	16,834	-	-
Lease liabilities	23	14,287	13,515	2,731	2,723
		23,521	30,349	2,731	2,723
Non-current					
Hire purchase payables	24	5,218	13,129	-	-
Lease liabilities	23	162,066	174,913	14,238	1,261
		167,284	188,042	14,238	1,261
Total hire purchase and lease liabilities		190,805	218,391	16,969	3,984

The hire purchase and lease liabilities are initially measured at the present value of the lease payments that are not paid at the inception date.

After initial recognition, hire purchase and lease liabilities are measured by increasing the carrying amounts to reflect interest on the hire purchase and lease liabilities, reducing the carrying amounts to reflect the lease payments made and remeasuring the carrying amounts to reflect any reassessment or lease modifications.

The corresponding right-of-use assets of the hire purchase and lease liabilities are presented as property, plant and equipment and right-of-use assets as disclosed in Notes 4 and 23 to the financial statements respectively.

23. LEASES

Group as a lessee

The Group and the Company have lease contracts for the use of land and buildings in their operations. Leases of land generally have lease terms between 1 to 128 years, while buildings generally have lease terms between 1 and 15 years. There are several lease contracts that include extension and termination options, which are further discussed below.

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23. LEASES *cont'd*

Group as a lessee *cont'd*

Set out below are the carrying amounts of right-of-use assets arising from certain long term leases of land and buildings recognised and the movements during the year:

	Right-of-use assets (Property, plant and equipment)		
	Land	**Buildings**	**Total**
	RM'000	**RM'000**	**RM'000**
Group			
At 1 January 2020	14,362	29,981	44,343
Additions	-	6,780	6,780
Modification	(22)	(127)	(149)
Depreciation expense	(846)	(5,755)	(6,601)
Exchange differences	-	15	15
At 31 December 2020/1 January 2021	13,494	30,894	44,388
Additions	-	2,174	2,174
Modification	-	(477)	(477)
Depreciation expense	(283)	(5,454)	(5,737)
Exchange differences	-	2	2
At 31 December 2021	13,211	27,139	40,350

	Right-of-use assets (Property, plant and equipment)
	Buildings
	RM'000
Company	
At 1 January 2020	6,364
Depreciation expense	(2,786)
At 31 December 2020/1 January 2021	3,578
Additions	16,232
Depreciation expense	(2,900)
At 31 December 2021	16,910

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23. LEASES *cont'd*

Group as a lessee *cont'd*

The above excludes certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group and the Company apply the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

	Right-of-use assets (Investment properties) RM'000
Group	
At fair value	
At 1 January 2020	132,379
Fair value adjustments recognised in profit or loss (Note 39(a))	(3,270)
At 31 December 2020/1 January 2021	129,109
Fair value adjustments recognised in profit or loss (Note 39(a))	(4,905)
At 31 December 2021	124,204

Set out below are the carrying amounts of lease liabilities and the movements during the financial year:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
At 1 January	188,428	195,517	3,984	7,032
Additions	2,150	6,761	16,224	-
Accretion of interest (Note 38)	10,283	10,866	369	362
Remeasurement	(662)	(512)	-	(9)
Payments	(23,850)	(24,202)	(3,608)	(3,401)
Exchange differences	4	(2)	-	-
At 31 December	176,353	188,428	16,969	3,984
Current	14,287	13,515	2,731	2,723
Non-current	162,066	174,913	14,238	1,261
	176,353	188,428	16,969	3,984

The maturity analysis of lease liabilities are disclosed in Note 47(b).

NOTES TO THE FINANCIAL STATEMENTS

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23. LEASES *cont'd*

Group as a lessee *cont'd*

Set out below are the carrying amounts of provision for restoration cost and the movements during the year:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At 1 January	65	36	194	185
Additions	24	19	8	-
Reversal (Note 37)	(5)	-	-	-
Unwinding of discount on provision for restoration costs (Notes 12 and 38)	3	10	9	9
At 31 December (Note 20)	87	65	211	194

The following are the amounts recognised in profit or loss:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Depreciation expense of right-of-use assets (property, plant and equipment)				
- included in other expenses (Note 39(a))	4,092	3,432	2,900	2,786
- included in construction contracts (Note 12(a))	1,645	3,169	-	-
	5,737	6,601	2,900	2,786
Fair value adjustment on right-of-use assets (investment properties) (Note 39(a))	4,905	3,270	-	-
Interest expense on lease liabilities (Note 38)	10,283	10,866	369	362
Unwinding of discount on provision for restoration costs				
- included in finance costs (Note 38)	2	10	9	9
- included in construction contracts (Note 12(a))	1	-	-	-
	3	10	9	9
Gain on lease modification (Note 37)	(185)	(363)	-	(9)
Expense relating to short-term leases and leases of low-value assets				
- included in administrative expenses	532	179	-	-
- included in construction contract (Note 12(a))	3,309	3,008	-	-
Total amount recognised in profit or loss	24,584	23,571	3,278	3,148

The Group and the Company had total cash outflows for leases of RM29,503,000 (2020: RM25,685,000) and RM3,608,000 (2020: RM3,401,000), respectively. The Group and the Company also had non-cash additions to right-of-use assets of RM2,174,000 (2020: RM6,780,000) and RM16,232 (2020: Nil) with a corresponding increase in lease liabilities of RM2,150,000 (2020: RM6,761,000) and RM16,224,000 (2020: Nil), respectively.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see Note 3.1(b)).

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23. LEASES *cont'd*

Group as a lessee *cont'd*

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

	Group	
	2021	**2020**
	RM'000	**RM'000**
Extension options expected not to be exercised:		
More than 5 years	224,700	224,700

Group as a lessor

The Group has entered into non-cancellable operating lease agreements on its investment properties portfolio. These leases have remaining non-cancellable lease terms of between 1 to 15 years. Certain leases have auto renewal option of 2 years included in the contracts.

The future minimum lease payments receivable under non-cancellable operating leases contracted for as at the statement of financial position date but not recognised as receivables, are as follows:

	Group	
	2021	**2020**
	RM'000	**RM'000**
Future minimum rental receivables:		
Not later than 1 year	122,579	123,620
Later than 1 year and not later than 5 years	114,640	166,460
Later than 5 years	24,217	31,040
	261,436	321,120

Rental income earned from these investment properties during the financial year is disclosed in Note 35.

24. HIRE PURCHASE PAYABLES

	Group	
	2021	**2020**
	RM'000	**RM'000**
Future minimum lease payments:		
Not later than 1 year	9,810	18,043
Later than 1 year and not later than 2 years	3,561	9,441
Later than 2 years and not later than 5 years	2,011	4,481
Total future minimum lease payments	15,382	31,965
Less: Future finance charges	(930)	(2,002)
Present value of finance lease liabilities	14,452	29,963

NOTES TO THE FINANCIAL STATEMENTS
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24. HIRE PURCHASE PAYABLES *cont'd*

	Group	
	2021	2020
	RM'000	RM'000
Analysis of present value of hire purchase payables:		
Not later than 1 year	9,234	16,834
Later than 1 year and not later than 2 years	3,332	8,915
Later than 2 years and not later than 5 years	1,886	4,214
	14,452	29,963
Less: Amount due within 12 months	(9,234)	(16,834)
Amount due after 12 months	5,218	13,129

The hire purchase payables are secured by a charge over the leased assets (Note 4(c)) and bear weighted average effective interest rate at 5.26% (2020: 5.33%) per annum.

25. BORROWINGS

		Group		Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
Current					
Secured:					
Revolving credits	26	538,023	459,186	-	-
Term loans	27	315,932	141,010	-	-
		853,955	600,196	-	-
Unsecured:					
Revolving credits	26	424,500	386,500	-	-
Trade facilities	28	62,863	22,627	-	-
Bank overdrafts	29	-	460	-	-
Sukuk Murabahah	30	400,000	200,000	400,000	200,000
		887,363	609,587	400,000	200,000
		1,741,318	1,209,783	400,000	200,000
Non-current					
Secured:					
Term loans	27	287,057	537,270	-	-
Unsecured:					
Sukuk Murabahah	30	810,000	1,210,000	810,000	1,210,000
		1,097,057	1,747,270	810,000	1,210,000

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25. BORROWINGS *cont'd*

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Total borrowings					
Revolving credits	26	962,523	845,686	-	-
Trade facilities	28	62,863	22,627	-	-
Term loans	27	602,989	678,280	-	-
Bank overdrafts	29	-	460	-	-
Sukuk Murabahah	30	1,210,000	1,410,000	1,210,000	1,410,000
		2,838,375	2,957,053	1,210,000	1,410,000

As at the reporting date, unutilised borrowings available for use are as follows:

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Revolving credits	294,316	385,514	-	-
Term loans	281,363	132,061	-	-
Bank overdrafts	24,500	24,040	-	-
Medium term notes	1,000,000	1,000,000	1,000,000	1,000,000
Sukuk Murabahah	290,000	90,000	290,000	90,000
Other trade lines	56,286	36,886	-	-
	1,946,465	1,668,501	1,290,000	1,090,000

In the previous financial year, the Group has obtained moratorium for certain borrowings amounting to RM65,026,000 (of which RM10,239,000 was interest expense) for the period between April to September 2020. The Group was not afforded any moratorium in the current financial year.

Other information on the borrowings are disclosed in Note 47.

26. REVOLVING CREDITS

	Group 2021 RM'000	Group 2020 RM'000
Secured		
Revolving credit I	50,000	60,000
Revolving credit II	29,340	-
Revolving credit III	458,683	399,186
	538,023	459,186

26. REVOLVING CREDITS *cont'd*

	Group 2021 RM'000	Group 2020 RM'000
Unsecured		
Revolving credit IV	28,000	15,000
Revolving credit V	396,500	371,500
	424,500	386,500
	962,523	845,686

Revolving credit I is secured on the same terms as Term loan I, disclosed in Note 27 and bears interest at 1.00% (2020: 1.00%) per annum over the bank's cost of funds.

Revolving credit II is secured by way of fixed charge over 97 (2020: Nil) unsold units as disclosed in Note 16; legal assignment of insurance on 97 (2020: Nil) unsold units; specific debenture; legal assignment over bank account; third party assignment over the surplus balance in Housing Development Account of 2 (2020: Nil) subsidiaries and corporate guarantee from a subsidiary. The Revolving credit II bears interest at 1.75% (2020: Nil) per annum over the bank's cost of funds.

Revolving credit III is secured by a charge over bank accounts receiving all contract proceeds of 8 local projects (2020: 5 local projects) undertaken by the Group and bears interest ranging from 3.05% to 3.95% (2020: 3.05% to 4.55%) per annum.

Revolving credit IV is secured by corporate guarantee from a subsidiary and bears interest at 1.25% (2020: 1.25%) per annum over the bank's cost of funds.

Revolving credit V is unsecured and bears interest at rates ranging from 2.69% to 3.42% (2020: 2.68% to 4.56%) per annum.

27. TERM LOANS

	Group 2021 RM'000	Group 2020 RM'000
Secured		
Term loan I	223,600	245,200
Term loan II	255,780	266,976
Term loan III	75,393	109,912
Term loan IV	9,927	13,473
Term loan V	38,289	42,719
Total term loans	602,989	678,280

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27. TERM LOANS *cont'd*

The term loans are repayable as follows:

	Group	
	2021	2020
	RM'000	RM'000
Not later than 1 year	315,932	141,010
Later than 1 year and not later than 2 years	80,571	372,938
Later than 2 years and not later than 5 years	197,723	151,141
Later than 5 years	8,763	13,191
	602,989	678,280
Less: Amount due within 12 months	(315,932)	(141,010)
Amount due after 12 months	287,057	537,270

(i) Term loan I comprises facilities obtained by a subsidiary via a facility agreement dated 14 December 2012 ("the TL-I Facilities") as follows:

- Term Loan 1 ("TL1") is to part finance for the construction of a mall ("Mall").
- Term Loan 2 ("TL2") is to finance for working capital requirement to subsidiaries.

Term loan I together with the Revolving credit I (Note 26) obtained by a subsidiary are secured by way of a fixed charge over the freehold land and a hotel building owned by 2 subsidiaries as disclosed in Notes 4 and 7; debentures over 2 subsidiaries; specific debenture over a subsidiary in respect of the Mall; legal assignment of rental proceeds of the Mall pursuant to a lease agreement; charge over bank accounts receiving all the rental proceeds and car park collection of the Mall and revenue of a hotel ("Hotel"); and legal assignment of insurances of the Mall and the Hotel.

The TL1 bears interest at 5.25% (2020: 5.25%) per annum. The TL1 was extended for a 5 years period and is repayable in equal monthly instalments over 59 months with a final instalment in the 60th month commencing from January 2018 at interest rate of 5.00% for the first two years and followed by interest rate of 5.25% per annum for the remaining years.

The TL2 bears interest at a rate of 5.25% (2020: 5.25%) per annum, with a bullet repayment on 27 December 2022.

(ii) Term loan II comprises facilities obtained by a subsidiary via a facility agreement dated 18 December 2014 ("the TL-II Facilities") as follows:

- Term Loan 1 ("TL1") is a Commodity Murabahah Term Financing-I ("CMTF-I") to part finance the construction of a service apartment.
- Term Loan 2 ("TL2") is a CMTF-I to part finance the construction of the Paradigm Mall Johor Bahru ("Paradigm JB") and car park including the infrastructure.
- Term Loan 3 ("TL3") is to part finance the construction of a hotel.

The TL-II Facilities are secured by way of a first party legal charge over the freehold land and buildings owned by a subsidiary; debentures over a subsidiary; legal assignment of rental proceeds of the Paradigm JB and car park; legal assignment over bank accounts receiving all the rental proceeds and car park collection of the Paradigm JB, disposal proceeds of development properties (except for proceeds to be deposited to Housing Development Account) and investment properties as disclosed in Notes 4, 6 and 7, and proceeds from insurances claims (if any); and legal assignment of the right and benefits of a subsidiary under the insurances policies.

The TL1 is repayable by way of redemption sum of the selling price of the service apartment unit and/or 10 equal quarterly principal repayments commencing from April 2021 whichever is earlier. The margin of profit rate is 1.20% (2020: Nil) per annum and 1.00% (2020: Nil) above the bank's cost of funds during the construction stage and upon completion respectively.

The TL2 is repayable over 24 quarterly principal payments commencing from April 2017. The margin of profit rate is 1.00% (2020: 1.00%) above the bank's cost of funds.

27. TERM LOANS *cont'd*

(ii) Term loan II comprises facilities obtained by a subsidiary via a facility agreement dated 18 December 2014 ("the TL-II Facilities") as follows: *cont'd*

The TL3 is repayable over 24 quarterly principal repayments commencing from October 2022. The TL3 bears interest at 1.20% (2020: Nil) per annum and 1.00% (2020: Nil) above the bank's cost of funds during the construction stage and upon completion respectively.

(iii) Term loan III comprises facilities obtained by a subsidiary via a facility agreement dated 3 November 2016 ("the TL-III Facilities") as follows:

- Term Loan A ("TL-A") is a CMTF-I to part reimburse advances from the shareholders and/or the Company and its related companies, where applicable pursuant to the acquisition of 3 parcels of residential freehold land ("R1", "R2" and "R4") located at the southern portion of Overseas Union Garden, Kuala Lumpur for the development of condominium units ("OUG Project Land").
- Term Loan B ("TL-B") is a CMTF-I to part finance the total construction cost in relation to the development on R2 ("Construction Cost"); and to part reimburse any advances and/or deposits made to the subsidiary pursuant to the Construction Cost prior to drawdown of the TL-III Facilities.

The TL-III Facilities are secured by way of a first legal charge and specific debenture over the OUG Project Land as disclosed in Note 6; legal assignment of all insurances in respect of the development on the OUG Project Land; legal assignment over bank accounts receiving all disposal proceeds of development properties (except for proceeds to be deposited to Housing Development Account) as disclosed in Notes 4, 6, 7 and 16, and proceeds from insurances claims (if any).

The TL-A is repayable by way of redemption sum of the selling price of each development properties on the OUG Project Land and/or 12 equal quarterly principal repayments commencing from February 2019 whichever is earlier. The margin of profit rate is 1.25% (2020: 1.25%) per annum above the bank's cost of funds.

The TL-B is repayable by way of redemption sum of the selling price of each development properties on the OUG Project Land and/or over 11 equal quarterly principal payments and a final principal payment, with the first payment commencing from April 2019 whichever is earlier with TL-A taking precedent. The margin of profit rate is 1.25% (2020: 1.25%) per annum above the bank's cost of funds.

(iv) The Term loan IV bears interest at a rate of 1.25% (2020: 1.25%) per annum above the bank's base lending rate and is repayable over 36 quarterly instalments (inclusive of interests) commencing from August 2013.

Term loan IV is secured by way of a first party first legal charge over the sub-lease lands, debenture and legal proceeds of the retail space at Subang SkyPark Terminal, legal assignment over bank accounts receiving all the rental proceeds (Note 5), legal assignment of the rights and benefits under the sub-lease agreement and commercial agreement and corporate guarantees from subsidiaries.

(v) The Term loan V comprises 2 term loans, bear interest rate at 1.25% (2020: 1.25%) per annum above the bank's base lending rate and is repayable in 48 and 56 quarterly principal repayments commencing 2 years from the date of first drawdown.

Term loan V is secured by way of a third party second legal charge over the sub-lease lands held by a subsidiary of the Company; debenture; third party debenture over a subsidiary; legal assignment of rental proceeds, insurance and bank account receiving the rental proceeds (Note 5); and corporate guarantees from subsidiaries.

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28. TRADE FACILITIES

	Group	
	2021	**2020**
	RM'000	**RM'000**
Unsecured		
Bankers' acceptances	44,018	22,627
Invoice financing	18,845	-
	62,863	22,627

The bankers' acceptances bear interest at rates ranging from 2.30% to 2.54% (2020: 2.54% to 4.22%) per annum. These bankers' acceptances have a maturity period of 115 to 180 (2020: 112 to 122) days.

The invoice financing bear interest at rates ranging from 2.80% to 2.82% (2020: Nil) per annum. These invoice financing have a maturity period of 175 to 180 (2020: Nil) days.

29. BANK OVERDRAFTS

	Group	
	2021	**2020**
	RM'000	**RM'000**
Unsecured	-	460

In the previous financial year, the unsecured bank overdrafts of the subsidiaries were guaranteed by the Company and by a subsidiary and bore interest at rates ranging from 6.40% to 7.15% per annum.

30. SUKUK MURABAHAH

	Group/Company	
	2021	**2020**
	RM'000	**RM'000**
Unsecured		
The Sukuk Murabahah are repayable as follows:		
Not later than 1 year	400,000	200,000
Later than 1 year and not later than 2 years	300,000	400,000
Later than 2 years and not later than 5 years	510,000	500,000
Later than 5 years	-	310,000
	1,210,000	1,410,000
Less: Amount due within 12 months	(400,000)	(200,000)
Amount due after 12 months	810,000	1,210,000

On 25 September 2014, the Company established a Sukuk Murabahah Programme for the issuance of Sukuk ("Sukuk Murabahah") based on the Shariah principle of Murabahah involving Shariah-compliant commodities of up to RM1,500,000,000 in nominal value ("Sukuk Murabahah Programme").

30. SUKUK MURABAHAH *cont'd*

The Sukuk Murabahah is constituted by a Trust Deed dated 13 October 2014 executed between the Company and the Trustee for the holders of the Sukuk Murabahah.

The Sukuk Murabahah Programme shall have tenure of 15 years from the date of first issue of the Sukuk Murabahah provided that the first issuance of Sukuk Murabahah shall be made no later than 2 years from the date of the Securities Commission Malaysia's approval and authorisation of the Sukuk Murabahah Programme. Each tranche of Sukuk Murabahah shall be issued for tenure of more than 1 year and up to 15 years from the date of issuance, at the option of the Company, provided always that no Sukuk Murabahah shall mature beyond the tenure of the Sukuk Murabahah Programme.

The Sukuk Murabahah may be issued via book-building, private placement or bought deal basis.

Proceeds from the issuance of the Sukuk Murabahah are to be utilised for the following purposes which are Shariah-compliant:

(i) to fund the Group's working capital requirements, capital expenditure and investments specific to the Group's principal activities, excluding the construction or acquisition of hotel(s);

(ii) refinancing of the Group's existing borrowings;

(iii) to fund the Trustee's Reimbursement Account; and/or

(iv) to defray fees and expenses incurred in relation to the Sukuk Murabahah Programme.

On 23 October 2014, the Company issued RM600,000,000 nominal value of Sukuk Murabahah in 3 series and have tenures of 7, 8 and 9 years respectively. The profit rates are 4.95%, 5.05% and 5.17% per annum, respectively and payable semi-annually in arrears commencing 6 months after the issue date.

On 30 December 2015, the Company issued additional RM150,000,000 nominal value of Sukuk Murabahah with a tenure of 3 years at a profit rate of 4.80% per annum and payable semi-annually in arrears commencing 6 months after the issue date. This Sukuk Murabahah was fully repaid during the financial year ended 31 December 2019.

On 11 May 2017, the Company issued additional RM200,000,000 nominal value of Sukuk Murabahah with a tenure of 5 years at a profit rate of 5.32% per annum and payable semi-annually in arrears commencing 6 months after the issue date.

On 4 January 2018 and 23 February 2018, the Company issued additional RM200,000,000 nominal value of Sukuk Murabahah in 2 series of RM100,000,000 each. Both series have tenure of 7 years at profit rate of 5.55% per annum and payable semi-annually in arrears commencing 6 months after the issue date.

On 17 April 2018, the Company issued additional RM310,000,000 nominal value Sukuk Murabahah with a tenure of 8 years at profit rate of 5.65% per annum, payable semi-annually in arrears commencing 6 months after the issue date.

On 27 October 2020, the Company issued additional RM100,000,000 nominal value Sukuk Murabahah with a tenure of 366 days at profit rate of 3.77% per annum, payable semi-annually in arrears commencing 6 months after the issue date. This Sukuk Murabahah was fully repaid during the financial year.

The Sukuk Murabahah Programme has been accorded a rating of "AA-$_{IS}$ (Stable)" (2020: "AA-$_{IS}$ (Stable)") by Malaysian Rating Corporation Berhad on 15 October 2021 (2020: 13 August 2020).

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31. SHARE CAPITAL

	Group/Company			
	Number of ordinary shares		Amount	
	2021	2020	2021	2020
	'000	'000	RM'000	RM'000
Issued and fully paid:				
At 1 January/31 December	1,418,150	1,418,150	3,212,796	3,212,796

(a) Issue of shares

There is no issuance of new ordinary shares during the financial year.

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry 1 vote per share without restrictions and rank equally with regard to the Company's residual assets.

(b) Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares.

There is no repurchase of the Company's ordinary shares during the financial year. In the previous financial year, the Company repurchased a total of 20,709,000 of its issued ordinary shares from the open market at an average price of RM0.47 per share. The total consideration paid for the repurchase including transaction costs was RM9,643,000. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127(4) of the Companies Act 2016.

During the financial year, 14,026,000 (2020: 13,953,000) treasury shares were distributed as share dividends to the shareholders on 22 July 2021 (2020: 26 August 2020) on the basis of 1 (2020: 1) treasury shares for every 100 ordinary shares held at the entitlement date on 30 June 2021 (2020: 12 August 2020), fractions of treasury shares was disregarded.

As at 31 December 2021, the total number of ordinary shares held as treasury shares was 915,000 (2020: 14,941,000) at a total cost of RM381,000 (2020: RM5,336,000).

None of the treasury shares held were resold or cancelled during the financial year.

(c) Employees' share option scheme 2013/2023 ("ESOS 2013/2023")

The Company's ESOS 2013/2023 is governed by the By-Laws which was approved by the shareholders at the Extraordinary General Meeting held on 26 April 2013.

The salient terms of the ESOS 2013/2023 are as follows:

(i) Subject to the ESOS By-Laws, the maximum number of options granted under the ESOS 2013/2023 shall not exceed 10.00% of the total issued and paid-up share capital comprising ordinary shares in the Company at any time throughout the duration of the scheme which shall be in force for a period of 10 years commencing from 19 July 2013 ("ESOS Option Period");

31. SHARE CAPITAL *cont'd*

(c) Employees' share option scheme 2013/2023 ("ESOS 2013/2023") *cont'd*

The salient terms of the ESOS 2013/2023 are as follows: *cont'd*

(ii) An employee of the Group shall be eligible to participate in the ESOS 2013/2023 if, as at the date of the ESOS 2013/2023 offer, such employee:

(aa) has attained the age of 18 years;

(bb) has been in the employment of any company(s) within the Group for a period of at least 1 year of continuous service (which employment need not be with the same company within the Group throughout the duration) prior to and up to the offer date, including service during the probation period, and is confirmed in service; and

(cc) in the case where a company is acquired by the Group during the duration of the ESOS 2013/2023 and becomes a subsidiary of the Company upon such acquisition, must have completed a continuous period of at least 1 year of employment in the Group following the date such company becomes or is deemed to be a subsidiary of the Company.

Any non-executive director of the Company who is not involved in the day-to-day management of the Company and who, on the offer date, has served any company within the Group for at least 1 year, including any period that he/she was an employee or director of any company within the Group, shall be eligible to participate in the ESOS 2013/2023.

The Options Committee may with its power under the ESOS By-Laws, nominate any employee or non-executive directors of the Group to be an Eligible Employee notwithstanding that the eligibility criteria as stated in (c) (ii) (bb), (cc) or the above is not met.

Subject to the fulfilment of additional eligibility criteria under the ESOS By-Laws, no employee shall participate at anytime in more than 1 employee share option scheme implemented by any company within the Group;

(iii) Not more than 10.00% of the Options available under the ESOS 2013/2023 shall be allocated, to any individual Director or Eligible Employee who, either individually or collectively through persons connected with the Directors or employees, holds 20.00% or more in the issued and paid-up share capital of the Company;

(iv) The option price for subscription of each share shall be at a discount of not more than 10.00% from the weighted average market price of the Company's shares traded on Bursa Malaysia for the 5 market days preceding the date of offer;

(v) Subject to any adjustments that may be made under the ESOS By-Laws, no options shall be granted for less than 100 shares of the Company but not more than the maximum allowable allotment as set out in the ESOS By-Laws;

(vi) Subject to the ESOS By-Laws, the Options Committee may with its power under the ESOS By-Laws, at any time and from time to time, before or after an ESOS Option is granted, limit the exercise of the ESOS Option to a maximum number of new shares of the Company and/or such percentage of the total new shares of the Company comprised in the ESOS Option during such periods within the ESOS Option Period and impose any other terms and/or conditions deemed appropriate by the Options Committee in its sole discretion including amending/varying any terms and conditions imposed earlier;

(vii) An ESOS 2013/2023 offer may be made upon such terms and conditions as the Options Committee may decide from time to time. Each ESOS 2013/2023 offer shall be made in writing and is personal to the Eligible Employee and cannot be assigned, transferred, encumbered or otherwise disposed off in any manner whatsoever; and

(viii) Subject to the ESOS By-Laws, an ESOS Option can be exercised by the Grantee, by notice in writing to the Company in the form prescribed by the Options Committee during the ESOS Option Period in respect of all or any parts of the new shares in the ESOS Option.

31. SHARE CAPITAL *cont'd*

(c) Employees' share option scheme 2013/2023 ("ESOS 2013/2023") *cont'd*

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial year:

			Number of share options					
			Outstanding at 1 January	Movement during the year Granted	Movement during the year (Exercised)	Movement during the year (Forfeited)	Outstanding at 31 December	Exercisable at 31 December
			'000	'000	'000	'000	'000	'000
Grant date	**Expiry date**	**Exercise price RM**						
2021								
30 August 2013	18 July 2023	1.63	4,841	-	-	(64)	4,777	4,777
15 August 2014	18 July 2023	1.55	4,457	-	-	(59)	4,398	4,398
18 September 2015	18 July 2023	1.18	2,461	-	-	(61)	2,400	2,400
12 June 2018	12 June 2021	0.82	25,241	-	-	(25,241)	-	-
			37,000	-	-	(25,425)	11,575	11,575
WAEP (RM)			1.04	-	-	0.82	1.51	1.51
2020								
30 August 2013	18 July 2023	1.63	5,080	-	-	(239)	4,841	4,841
15 August 2014	18 July 2023	1.55	4,697	-	-	(240)	4,457	4,457
18 September 2015	18 July 2023	1.18	2,663	-	-	(202)	2,461	2,461
12 June 2018	12 June 2021	0.82	26,879	-	-	(1,638)	25,241	25,241
			39,319	-	-	(2,319)	37,000	37,000
WAEP (RM)			1.04	-	-	1.01	1.04	1.04

31. SHARE CAPITAL *cont'd*

(c) Employees' share option scheme 2013/2023 ("ESOS 2013/2023") *cont'd*

(i) Details of share options outstanding at the end of the financial year:

	Exercise price RM	Exercise period
2021		
Date granted		
30 August 2013	1.63	30.08.2013 - 18.07.2023
15 August 2014	1.55	15.08.2014 - 18.07.2023
18 September 2015	1.18	18.09.2015 - 18.07.2023
2020		
Date granted		
30 August 2013	1.63	30.08.2013 - 18.07.2023
15 August 2014	1.55	15.08.2014 - 18.07.2023
18 September 2015	1.18	18.09.2015 - 18.07.2023
12 June 2018	0.82	12.06.2018 - 12.06.2021

At 31 December 2021, there are 11,575,000 (2020: 37,000,000) options exercisable at the WAEP of RM1.51 (2020: RM1.04) each. The exercise and vesting period is from 30 August 2013 to 18 July 2023.

(ii) Share options exercised during the financial year

There is no share options exercised during the current and the previous financial years.

(iii) Fair value of share options granted during the financial year

The fair value of share options granted was estimated using a binomial model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions are as follows:

	18 September 2015	15 August 2014	30 August 2013
Fair value of share options at grant date (RM)	0.32	0.24	0.40
Weighted average share price (RM)	1.35	2.29	2.44
Weighted average exercise price (RM)	1.18	2.05	2.15
Expected volatility	21.95%	21.95%	16.66%
Expected life (year)	10	10	10
Risk free rate	3.88%	4.10%	3.42%
Expected dividend yield	4.88%	2.90%	2.73%

The expected life of the share options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome. No other features of the option was incorporated into the measurement of fair value.

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32. RESERVES

		Group		Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
Non-distributable					
Revaluation reserve	(a)	59,827	54,279	-	-
Other reserve		-	2	-	-
Capital reserve	(b)	61,646	61,646	-	-
Equity compensation reserve	(c)	3,797	9,282	3,067	8,552
Exchange reserve	(d)	(101,915)	(84,039)	-	-
Internal reorganisation reserve	(e)	(1,554,791)	(1,554,791)	-	-
		(1,531,436)	(1,513,621)	3,067	8,552
Distributable					
General reserve	(f)	1,438	1,438	-	-
		(1,529,998)	(1,512,183)	3,067	8,552

The nature and purpose of each category of the reserves are as follows:

(a) Revaluation reserve

This revaluation reserve is used to record changes in fair values of certain freehold land and buildings.

(b) Capital reserve

Capital reserve of the Group arose from bonus issue of shares by subsidiaries.

(c) Equity compensation reserve

The equity compensation reserve represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on grant of share options.

(d) Exchange reserve

The exchange reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(e) Internal reorganisation reserve

Internal reorganisation reserve is used to record the differences arising from the share premium of the Company and the share premium of WCTB pursuant to the securities exchange made between the Company and WCTB pertaining to a scheme of arrangement under Section 366 of the Companies Act 2016.

(f) General reserve

(i) Under the provisions of the Bahrain Commercial Companies Law, a statutory reserve equivalent to 10.00% of the subsidiary's net profit before appropriation is required to be transferred to a non-distributable reserve account until no less than 50.00% of the share capital; and

32. RESERVES *cont'd*

(f) General reserve *cont'd*

(ii) Under the provisions of the India Companies Act, 1956, a statutory reserve equivalent to a certain percentage of the subsidiary's net profit before appropriation is required to be transferred to a non-distributable reserve account before any dividend can be declared or paid, as follows:

Proposed dividend	Amount to be transferred to statutory reserve
~ Exceeds 10.00% but less than 12.50% of paid-up capital	Not less than 2.50% of current profits
~ Exceeds 12.50% but less than 15.00% of paid-up capital	Not less than 5.00% of current profits
~ Exceeds 15.00% but less than 20.00% of paid-up capital	Not less than 7.50% of current profits
~ Exceeds 20.00% of paid-up capital	Not less than 10.00% of current profits

(g) Retained earnings

The Company may distribute dividends out of its entire retained earnings under the single-tier system.

33. PERPETUAL SUKUK

	Group/Company	
	2021	2020
	RM'000	RM'000
Issuance in nominal value	821,500	821,500
Less: Transaction cost	(2,735)	(3,419)
Net nominal value	818,765	818,081

On 27 September 2019, the Company issued two tranches of perpetual Islamic notes totalling RM617,000,000 in nominal value based on the Shariah principle of Musharakah ("Perpetual Sukuk") under the newly established Perpetual Sukuk Musharakah programme of up to RM1,000,000,000 in nominal value ("Perpetual Sukuk Musharakah Programme").

On 3 March 2020, the Company issued additional RM204,500,000 nominal value of Perpetual Sukuk Musharakah pursuant to the Perpetual Sukuk Musharakah Programme.

The Perpetual Sukuk is constituted by a Trust Deed dated 18 September 2019 between the Company and the Trustee for the holders of the Perpetual Sukuk.

The proceeds raised from the issuance of the Perpetual Sukuk are allowed to be utilised by the Company, its subsidiaries, associated companies and/or jointly controlled entities (i.e. the Group) for the following purposes which are Shariah-compliant:

(i) refinancing of existing financing/borrowings;

(ii) capital expenditure;

(iii) asset acquisition;

(iv) working capital;

(v) general corporate purposes; and/or

(vi) to defray fees, costs and expenses incurred in relation to the issuance of the Perpetual Sukuk and the Perpetual Sukuk Musharakah Programme.

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33. PERPETUAL SUKUK *cont'd*

Under the Perpetual Sukuk Musharakah Programme, the Company may, at its sole discretion, redeem the Perpetual Sukuk Musharakah pursuant to certain redemption events.

There are no events of default or dissolution events which will entitle the trustee or the sukukholders to declare any or all amounts under the Perpetual Sukuk Musharakah Programme to be immediately due and payable, save for certain enforcement events.

The Perpetual Sukuk Musharakah Programme has been accorded a rating of "A_{IS} (Stable)" (2020: "A_{IS} (Stable)") by Malaysian Rating Corporation Berhad on 15 October 2021 (2020: 13 August 2020).

The salient features of the Perpetual Sukuk are as follows:

(a) The Perpetual Sukuk shall constitute direct, unsecured, unconditional and subordinated obligations of the Company and shall at all times rank (i) junior to all present and future creditors of the Company; (ii) *pari passu* with any instrument issued or guaranteed by the Company that ranks *pari passu* with the Perpetual Sukuk; and (iii) ahead of any class of the Company's share capital, including without limitation, any ordinary shares and preference shares.

(b) Being perpetual in nature, the Company has a call option to redeem the Perpetual Sukuk under the following circumstances:

(i) Optional redemption at the first call date i.e. at the end of fifth and seventh year respectively for the first and second tranche of the Perpetual Sukuk and on each periodic distribution date of the expected distribution amount thereafter;

(ii) Accounting event – change in accounting standards resulting in a Perpetual Sukuk no longer being recognised as an equity instrument;

(iii) Tax event – if the expected periodic distribution of the profit would not be fully tax deductable or the Company become obligated to pay additional tax due to changes in tax laws or regulations; and

(iv) Rating event - change in rating methodology by the rating agency that results in a lower equity credit for the relevant tranche of the Perpetual Sukuk.

(c) The first tranche of the Perpetual Sukuk with a nominal amount of RM282,000,000 has a tenor of perpetual non-callable 5 years with an initial periodic distribution rate of 5.80% per annum while the second tranche with a nominal amount of RM335,000,000 has a tenor of perpetual non-callable 7 years with an initial periodic distribution rate of 6.00% per annum thereafter.

The second tranche of the Perpetual Sukuk with a nominal amount of RM204,500,000 nominal value of Perpetual Sukuk has a tenor of perpetual, non-callable 7 years with an initial periodic distribution rate of 5.70% per annum. Together with the RM617,000,000 nominal value of Perpetual Sukuk issued as mentioned in Note (c) above, the total outstanding Perpetual Sukuk in issue stood at RM821,500,000 in nominal value as at 31 December 2021 and 2020.

(d) The periodic distribution amount is payable six months from the issue date of the respective tranche and every six months thereafter.

(e) The Company may, at its sole discretion, opt to (i) defer the periodic distribution or (ii) further defer any outstanding arrears of deferred periodic distribution, provided that it has not during the last six months declared or paid any dividend or payment or other distributions in respect of or redeem or repurchase its ordinary shares or any other securities of the Company ranking junior to or pari passu with the Perpetual Sukuk. The deferred periodic distribution, if any, will be cumulative and will not earn additional profits (i.e. there will be no compounding of the periodic distribution being deferred). There is no limit as to the number of times the expected periodic amount and the arrears of deferred periodic distribution can be deferred.

(f) Notwithstanding the optional deferral stipulated in (e) above, all outstanding arrears of deferred periodic distribution shall be due and payable within 15 days from the date the Company declared or paid any dividend or payment or other distributions in respect of or redeem or repurchase its ordinary shares or any other securities of the Company ranking junior to or *pari passu* with the Perpetual Sukuk.

33. PERPETUAL SUKUK *cont'd*

The salient features of the Perpetual Sukuk are as follows: *cont'd*

(g) If the optional redemption is not exercised by the Company on the first call date of the respective tranche, the periodic distribution rate shall be reset at the prevailing relevant Malaysian Government Securities rate plus the initial margin/spread determined prior to issuance of the respective tranche plus a step-up margin of 1.00% per annum.

As at the date of this report, none of the Perpetual Sukuk's periodic distribution has been deferred. During the financial year, the Group and the Company have made a distribution of RM48,013,000 (2020: RM42,532,000) to the holders of Perpetual Sukuk.

34. NON-CONTROLLING INTERESTS

	Group	
	2021	2020
	RM'000	RM'000
At 1 January	(42,150)	(33,521)
Share of losses for the financial year	(5,290)	(8,596)
Exchange differences	141	(33)
At 31 December	(47,299)	(42,150)

35. REVENUE

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers (Note (a))	1,553,304	1,534,715	18,887	18,287
Interest income (Note (b))	12,379	14,004	97,131	96,009
Dividend income	-	-	51,630	5,200
Rental income (Note 7)	133,985	155,861	-	-
	1,699,668	1,704,580	167,648	119,496

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35. **REVENUE** *cont'd*

(a) **Revenue from contracts with customers**

(i) **Disaggregated revenue information**

Set up below is the disaggregation of the Group's and the Company's revenue from contracts with customers:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Type of goods or services:				
Engineering and construction works (Note 12(a))	1,167,297	1,195,933	-	-
Revenue from property development (Note 12(b)):				
- Completed inventory properties	99,468	87,502	-	-
- Inventory properties under development	199,750	172,447	-	-
	299,218	259,949	-	-
Others:				
- Management fees	6,515	6,044	18,887	18,287
- Sale of goods	65,603	59,082	-	-
- Car park income (Note 7)	8,271	9,201	-	-
- Hotel income	6,400	4,506	-	-
	86,789	78,833	18,887	18,287
Total revenue from contracts with customers	1,553,304	1,534,715	18,887	18,287

(ii) **Timing of revenue recognition**

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
At a point in time	186,257	166,335	18,887	18,287
Over time	1,367,047	1,368,380	-	-
Total revenue from contracts with customers	1,553,304	1,534,715	18,887	18,287

Information on the Group's identification of performance obligations, determination of the timing of revenue recognition and measurement of progress when revenue is recognised over time are disclosed in Note 2.25.

Contract balances, comprising trade receivables, contract assets and contract liabilities are disclosed in Notes 11 and 12 respectively.

35. REVENUE *cont'd*

(a) Revenue from contracts with customers *cont'd*

(iii) Remaining performance obligations

The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at 31 December, are as follows:

	Group	
	2021	2020
	RM'000	RM'000
Within one year		
- Engineering and construction works	1,999,509	1,481,240
- Property development	107,718	58,103
	2,107,227	1,539,343
More than one year		
- Engineering and construction works	2,833,634	3,537,760
- Property development	56,757	10,285
	2,890,391	3,548,045
Total in future years	4,997,618	5,087,388

(b) Interest income

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Interest income from deposits with licensed banks	855	4,522	855	4,522
Interest income from subsidiaries	-	-	96,276	91,487
Interest income from joint ventures	11,524	9,482	-	-
	12,379	14,004	97,131	96,009

36. COST OF SALES

	Group	
	2021	2020
	RM'000	RM'000
Construction contract costs (Note 12(a))	1,276,501	1,145,216
Cost of inventory properties (Note 12(b)):		
- Inventory properties under development	131,381	104,446
- Completed inventory properties	58,383	64,407
Cost of goods sold	63,255	55,879
Cost of maintenance of investment properties	21,417	24,731
Cost of services provided	23,995	21,388
Cost incurred on car park operation	1,473	2,115
Cost of sales - hotel	3,195	3,326
	1,579,600	1,421,508

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37. OTHER OPERATING INCOME

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Interest income from deposits with licensed banks	7,098	12,638	14	256
Interest income from joint ventures	10,210	8,713	-	-
Interest income from associates	3,095	3,586	-	-
	20,403	24,937	14	256
Rental income	5,214	5,999	2,734	2,749
Gain on disposal of property, plant and equipment	3,045	-	-	-
Net realised gain on foreign exchange	36,891	-	-	-
Fair value adjustment on investment properties (Note 7)	2,345	-	-	-
Net write back in value of inventory properties - land held for property development (Note 6(a))	1,640	-	-	-
Finance income from financial assets carried at amortised cost	2,723	-	-	-
Gain from settlement of arbitration award (Note 50(a))	424,379	-	-	-
Reversal of accrual of costs arising from settlement of arbitration award (Notes 20(b) and 50(b))	49,284	-	-	-
Reversal of provision for restoration costs (Note 23)	5	-	-	-
Sale of scaffolding	-	16	-	-
Insurance claim	107	1,603	-	-
Reversal of allowance for expected credit losses	120	18,027	141	22
Gain on lease modification (Note 23)	185	363	-	9
Others	10,273	10,123	381	380
	556,614	61,068	3,270	3,416

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38. FINANCE COSTS

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Interest expense				
- term loans	27,953	33,294	-	-
- bank overdrafts	15	11	-	-
- trade facilities	1,156	692	-	-
- revolving credits	28,573	31,216	-	-
- hire purchase	1,219	2,021	-	-
- lease commitment	8,366	8,674	-	-
- lease liabilities (Note 23)	10,283	10,866	369	362
- profit on MTNs	-	5,543	-	5,543
- profit on Sukuk Murabahah	72,335	71,039	72,335	71,039
- amortisation of transaction costs incurred on Perpetual Sukuk	684	692	684	692
- unwinding of discount (Notes 12 and 23)	2	10	9	9
- interest to subsidiaries	-	-	1,651	-
- others	86	22	-	597
	150,672	164,080	75,048	78,242
- less: Amount capitalised under property, plant and equipment (Note 4(e))	(4,117)	(3,545)	-	-
- less: Amount capitalised under property development costs (Note 6(b))	(28,273)	(40,524)	-	-
- less: Amount capitalised under construction contracts (Note 12(a))	(149)	(250)	-	-
	118,133	119,761	75,048	78,242
- add: Finance loss from financial assets carried at amortised cost	-	461	-	-
	118,133	120,222	75,048	78,242

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39. PROFIT/(LOSS) BEFORE TAXATION

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
(a) The following amounts have been included in arriving at profit/(loss) before taxation:				
Auditors' remuneration				
- statutory	749	704	92	92
- underprovision in prior years	23	27	-	-
- other services	170	472	149	401
Expense relating to short-term leases and leases of low-value assets	532	179	-	-
Amortisation of intangible asset (Note 5)	7,364	7,958	-	-
Impairment loss of intangible asset (Note 5)	-	5,756	-	-
Depreciation of property, plant and equipment	30,318	26,618	1,086	1,206
Depreciation of right-of-use assets (property, plant and equipment) (Note 23)	4,092	3,432	2,900	2,786
Bad debts written off	853	38	-	-
Allowance for expected credit losses:				
- third parties	4,298	4,380	-	-
- arising from receivables from settlement agreement (Note 50(a))	28,164	-	-	-
Loss on disposal of property, plant and equipment	-	182	-	1
Property, plant and equipment written off	1,790	3	7	-
Fair value adjustment on investment properties (Note 7)	-	87,350	-	-
Fair value adjustment on right-of-use assets (investment properties) (Note 23)	4,905	3,270	-	-
Net realised loss on foreign exchange (Note i)	492	360	-	-
Net unrealised loss on foreign exchange	123	752	-	-
Net write down in value of inventory properties				
- completed inventory properties	13,992	9,238	-	-
- land held for property development (Note 6(a))	-	6,165	-	-
Direct expenses (including repair and maintenance) attributable to income generating investment properties (Note 7)	22,890	26,846	-	-
Reversal of foreseeable losses for contract assets	-	(58)	-	-

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39. PROFIT/(LOSS) BEFORE TAXATION *cont'd*

(i) Included in net realised loss on foreign exchange was a reclassification from the exchange reserve amounting to RM492,000 (2020: Nil) arising from the dissolution of a joint operation as disclosed in Note 10(a).

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
(b) Employee benefits expense				
Staff costs (excluding Directors' remuneration):				
Wages and salaries	58,705	56,616	3,288	3,669
Fees	118	123	-	-
Social security costs	656	634	8	9
Employees' Provident Fund contribution	6,940	6,759	444	475
Bonus and ex-gratia	1,337	1,258	179	492
Other staff related expenses	3,528	6,509	(248)	1,246
	71,284	71,899	3,671	5,891

(c) Directors' remuneration

	Salaries and other emoluments	Fees	Bonus	Allowances	Estimated money value of benefits-in-kind	Indemnity given to or insurance effected for Directors	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2021							
Group/Company							
Executive							
Tan Sri Lim Siew Choon	3,105	12	115	-	15	7	3,254
Dato' Lee Tuck Fook	2,700	12	100	-	-	4	2,816
Goh Chin Liong	2,228	12	82	-	39	7	2,368
Chow Yin Choon	1,745	12	75	-	31	1	1,864
Liang Kai Chong	1,485	12	55	-	23	12	1,587
	11,263	60	427	-	108	31	11,889
Non-executive							
Tan Sri Marzuki Bin Mohd Noor	-	84	-	21	-	1	106
Datuk Ab Wahab Bin Khalil	-	84	-	20	-	1	105
Dato' Ng Sooi Lin	-	84	-	22	-	3	109
Ng Soon Lai @ Ng Siek Chuan	-	84	-	7	-	3	94
Rahana Binti Abdul Rashid	-	84	-	14	-	3	101
	-	420	-	84	-	11	515
	11,263	480	427	84	108	42	12,404

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39. PROFIT/(LOSS) BEFORE TAXATION *cont'd*

(c) Directors' remuneration *cont'd*

	Salaries and other emoluments RM'000	Fees RM'000	Bonus RM'000	Allowances RM'000	Estimated money value of benefits-in-kind RM'000	Indemnity given to or insurance effected for Directors RM'000	Total RM'000
At 31 December 2020							
Group/Company							
Executive							
Tan Sri Lim Siew Choon	2,975	12	-	-	35	6	3,028
Dato' Lee Tuck Fook	2,587	12	-	-	-	3	2,602
Goh Chin Liong	2,135	12	-	-	64	6	2,217
Chow Yin Choon	495	4	-	-	10	-	509
Liang Kai Chong	1,422	12	-	-	23	9	1,466
	9,614	52	-	-	132	24	9,822
Non-executive							
Tan Sri Marzuki Bin Mohd Noor	-	84	-	29	-	1	114
Datuk Ab Wahab Bin Khalil	-	84	-	25	-	1	110
Dato' Ng Sooi Lin	-	84	-	28	-	3	115
Ng Soon Lai @ Ng Siek Chuan	-	84	-	12	-	3	99
Rahana Binti Abdul Rashid	-	84	-	16	-	3	103
	-	420	-	110	-	11	541
	9,614	472	-	110	132	35	10,363

40. TAXATION

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
Malaysian income tax	120,863	27,510	5,210	2,485
Foreign income tax	11,357	-	-	-
(Over)/under provision in prior financial years:				
Malaysian income tax	(1,817)	(5,527)	942	196
Foreign income tax	1,957	-	-	-
	132,360	21,983	6,152	2,681
Deferred income tax (Note 15):				
Relating to origination and reversal of temporary differences	11,164	4,990	228	596
(Over)/under provision in prior financial years:	(5,617)	7,784	(341)	39
	5,547	12,774	(113)	635
Taxation reported in profit or loss	137,907	34,757	6,039	3,316
Deferred tax related to items recognised in OCI during the financial years:				
Revaluation of land and buildings included in property, plant and equipment (Note 15)	923	(511)	-	-

Domestic current income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the financial year.

Tax in foreign jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company respectively are as follows:

	2021	2020
	RM'000	RM'000
Group		
Profit/(loss) before taxation	277,875	(144,880)

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40. TAXATION *cont'd*

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company respectively are as follows: *cont'd*

	2021 RM'000	2020 RM'000
Taxation at Malaysian statutory tax rate of 24% (2020: 24%)	66,690	(34,771)
Effect of:		
Different tax rates in foreign branches	(2,650)	(8,544)
Zero tax rates in foreign countries	2,713	2,804
Share of results of associates	(1,042)	(1,205)
Share of results of joint ventures	9,270	28,256
Different tax rate for fair value changes in investment properties	(328)	12,229
Tax exemption	(1,102)	(2,459)
Distribution to holders of Perpetual Sukuk	(11,523)	(10,208)
Income not subject to tax	(2,721)	(1,854)
Expenses not deductible for tax purposes	38,817	34,452
Utilisation of previously unrecognised tax losses	(99)	(1,410)
Utilisation of previously unrecognised tax losses in foreign branches	(1,580)	-
Deferred tax assets not recognised during the financial year	46,930	13,334
Deferred tax assets in foreign countries not recognised during the financial year	9	10
Deferred tax assets in foreign branches not recognised during the financial year	-	1,866
(Over)/under provision of deferred tax in prior financial years	(5,617)	7,784
Under/(over) provision of income tax in prior financial years	140	(5,527)
Tax expense for the financial year	137,907	34,757

Company

	2021 RM'000	2020 RM'000
Profit before taxation	70,210	14,323
Taxation at Malaysian statutory tax rate of 24% (2020: 24%)	16,850	3,438
Income not subject to tax	(23,914)	(11,458)
Expenses not deductible for tax purposes	12,502	11,101
(Over)/under provision of deferred tax in prior financial years	(341)	39
Underprovision of income tax in prior financial years	942	196
Tax expense for the financial year	6,039	3,316

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

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41. EARNINGS/(LOSS) PER SHARE

(i) Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2021 RM'000	2020 RM'000
Profit/(loss) attributable to ordinary equity holders of the Company	97,245	(213,573)
Weighted average number of shares in issue	1,410,280	1,401,198
Basic earnings/(loss) per share (sen)	6.90	(15.24)

(ii) Fully diluted

For the purpose of calculating diluted earnings per share, the profit/(loss) for the financial year attributable to ordinary equity holders of the Company is divided by the weighted average number of ordinary shares in issue during the financial year which have been adjusted for the dilutive effects of the share options granted to employees.

	Group	
	2021 RM'000	2020 RM'000
Profit/(loss) attributable to ordinary equity holders of the Company	97,245	(213,573)
Weighted average number of shares in issue	1,410,280	1,401,198
Effect of dilution:		
Share options ^	-	-
Adjusted weighted average number of shares in issue and issuable	1,410,280	1,401,198
Diluted earnings/(loss) per share (sen)	6.90	(15.24)

^ *All the employees' share options are anti-dilutive.*

There have been no other transactions involving ordinary shares between reporting date and the date of completion of these financial statements.

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42. DIVIDENDS

	Dividends in respect of financial year		Dividends recognised in financial year	
	2020	2019	2021	2020
	RM'000	RM'000	RM'000	RM'000
Recognised during the financial year:				
Final dividend comprising:				
- Share dividend by way of distribution of 13,953,231 treasury shares on 26 August 2020 on the basis of 1 treasury share for every 100 ordinary shares held in the Company	-	11,793	-	11,793
- Share dividend by way of distribution of 14,026,085 treasury shares on 22 July 2021 on the basis of 1 treasury share for every 100 ordinary shares held in the Company	4,955	-	4,955	-
	4,955	11,793	4,955	11,793

At the forthcoming Annual General Meeting, a final cash dividend of 0.50 sen per ordinary share under the single-tier system in respect of the financial year ended 31 December 2021, amounting to approximately RM7,086,000, will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2022.

43. RELATED PARTY DISCLOSURES

(a) The Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Contract revenue from:				
- associates	105,272	103,097	-	-
- companies in which certain Director has interest	498,552	283,687	-	-
Contract costs to a company in which certain Director has interest	73,696	-	-	-
Lease expense payable to:				
- subsidiaries	-	-	(3,017)	(3,017)
- joint ventures	(99)	(108)	-	-
- a company in which certain Directors have interest	(592)	(393)	(592)	(164)
Office utilities expense payable to a subsidiary	-	-	(96)	(166)
Season parking expense payable to a joint venture	(302)	(301)	(302)	(314)
Interest payable to subsidiaries	-	-	(1,651)	-

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43. RELATED PARTY DISCLOSURES *cont'd*

(a) The Group and the Company had the following transactions with related parties during the financial year: *cont'd*

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Management fee receivable from:				
- subsidiaries	-	-	16,754	16,154
- joint ventures	6,275	5,804	1,893	1,893
- associates	240	240	240	240
Gross dividend receivable from:				
- subsidiaries	-	-	51,630	5,200
- joint ventures	-	10,394	-	-
- associates	3,771	6,033	-	-
Interest receivable from:				
- subsidiaries	-	-	96,276	91,487
- joint ventures	21,734	18,195	-	-
Rental income receivable from:				
- subsidiaries	-	-	2,734	2,749
- joint ventures	2,680	-	-	-
- associates	179	1,141	-	-
Office utilities income receivable from subsidiaries	-	-	96	152
Season parking income receivable from subsidiaries	-	-	285	296
Net repayment from/(advances to):				
- associates	240	-	-	-
- joint ventures	(44,531)	(38,570)	-	-
Advance (to)/from non-controlling interest of subsidiaries	(4,031)	741	-	-
Office equipment rental income receivable from associates	179	190	-	-
Motor vehicle rental income receivable from:				
- associates	-	727	-	-
- joint ventures	433	-	-	-
Fees payable for retail management to:				
- joint ventures	(406)	(406)	-	-
- a company in which certain Directors have interest	(600)	(960)	-	-

The above transactions were transacted at terms and conditions mutually agreed with related parties. Balances with these parties are disclosed in Notes 13, 14 and 20.

NOTES TO THE FINANCIAL STATEMENTS

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43. RELATED PARTY DISCLOSURES *cont'd*

(b) Compensation of key management personnel

Remuneration on an aggregate basis paid to the top 5 senior management (not including Directors as disclosed in Note 39(c)) for the financial year are as follows:

	2021 RM'000	2020 RM'000
Salaries	4,013	4,291
Other emoluments	213	28
Fees	36	44
Bonus	205	-
Employees' Provident Fund contribution	312	332
Perquisite/Ex-gratia	-	522
Benefits-in-kind	155	168
	4,934	5,385

44. COMMITMENT

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Approved and contracted for:				
Property, plant and equipment	50,440	72,013	114	122

45. GUARANTEES AND CONTINGENT LIABILITIES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
(a) Corporate guarantees given to:				
- Financial institutions and trade suppliers for credit facilities granted to subsidiaries, joint ventures and associates	93,054	103,850	2,773,273	2,745,422
- Contract customers of subsidiaries, joint ventures and associates to secure the performance of their obligation for contract works	1,910,307	1,910,307	621,227	621,168
Letter of undertaking issued to financial institutions for credit facilities granted to subsidiaries and joint ventures	993,168	980,168	866,717	823,717
	2,996,529	2,994,325	4,261,217	4,190,307

As at reporting date, no values are ascribed on these guarantees and letter of undertaking provided by the Group and by the Company to secure banking facilities described above as the Directors regard the value of the credit enhancement provided by these guarantees and undertaking as minimal and the probability of default, based on historical track records of the parties receiving the guarantees and undertaking are remote.

45. GUARANTEES AND CONTINGENT LIABILITIES *cont'd*

		Group	
		2021	2020
		RM'000	RM'000
(b)	Performance, advance payment and tender guarantee granted to:		
	Clients of subsidiaries	527,219	563,059
	Clients of a joint venture and associates	82,112	89,535
		609,331	652,594

As at the reporting date, no values are ascribed on these guarantees provided by the Group for the purpose described above as the Directors regard the value of the credit enhancement provided by these guarantees as minimal and the probability of default, based on historical track records of the parties receiving the guarantees are remote.

		Group	
		2021	2020
		RM'000	RM'000
(c)	Tax matters under appeal by a subsidiary	2,033	1,999
(d)	Share of contingent liabilities of associates (Note 9)	6,749	6,635

46. CONTINGENT ASSETS

	Group	
	2021	2020
	RM'000	RM'000
Contingent assets arising from the Final Award of the Arbitration Tribunal in DIAC Case No. 02/2009, dated 5 July 2015 as disclosed in Note 50(a)	-	722,390

47. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks (both fair value and cash flow), foreign currency risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

(b) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

NOTES TO THE FINANCIAL STATEMENTS
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47. FINANCIAL INSTRUMENTS *cont'd*

(b) Interest rate risk *cont'd*

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis points higher/lower, with all other variables held constant, the Group's profit before taxation would have been RM1,679,000 (2020: RM1,592,000) lower/higher, arising mainly as a result of higher/lower interest expense on floating rate loans, borrowings and higher/lower interest income.

The following tables set out the carrying amounts, the weighted average effective interest rates ("WAEIR") as at reporting date and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk:

	Note	WAEIR %	Within 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	More than 5 years RM'000	Total RM'000
At 31 December 2021									
Group									
Fixed rate									
Deposits	17	1.73	148,292	-	-	-	-	-	148,292
Hire purchase payables	24	5.26	(9,234)	(3,332)	(1,142)	(568)	(176)	-	(14,452)
Term loans	27	5.25	(223,600)	-	-	-	-	-	(223,600)
Sukuk Murabahah	30	5.25	(400,000)	(300,000)	-	(200,000)	(310,000)	-	(1,210,000)
Floating rate									
Lease commitment payable	21	8.20	(4,401)	(5,126)	(5,547)	(6,002)	(6,876)	(69,998)	(97,950)
Lease liabilities	23	5.61	(14,287)	(14,772)	(13,640)	(14,140)	(14,886)	(104,628)	(176,353)
Revolving credits	26	3.23	(962,523)	-	-	-	-	-	(962,523)
Trade facilities	28	2.70	(62,863)	-	-	-	-	-	(62,863)
Term loans	27	3.81	(92,332)	(80,571)	(48,321)	(103,496)	(45,906)	(8,763)	(379,389)
Company									
Fixed rate									
Deposits	17	1.88	3,100	-	-	-	-	-	3,100
Lease liabilities	23	5.52	(2,731)	(2,885)	(3,047)	(3,060)	(2,795)	(2,451)	(16,969)
Sukuk Murabahah	30	5.25	(400,000)	(300,000)	-	(200,000)	(310,000)	-	(1,210,000)

47. FINANCIAL INSTRUMENTS *cont'd*

(b) Interest rate risk *cont'd*

The following tables set out the carrying amounts, the weighted average effective interest rates ("WAEIR") as at reporting date and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk: *cont'd*

	Note	WAEIR %	Within 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	More than 5 years RM'000	Total RM'000
At 31 December 2020									
Group									
Fixed rate									
Deposits	17	2.97	239,346	-	-	-	-	-	239,346
Hire purchase payables	24	5.33	(16,834)	(8,915)	(2,997)	(866)	(351)	-	(29,963)
Term loans	27	5.25	(21,600)	(223,600)	-	-	-	-	(245,200)
Sukuk Murabahah	30	5.25	(200,000)	(400,000)	(300,000)	-	(200,000)	(310,000)	(1,410,000)
Floating rate									
Lease commitment payable	21	8.20	(4,067)	(4,401)	(5,126)	(5,547)	(6,002)	(76,873)	(102,016)
Lease liabilities	23	5.51	(13,515)	(13,791)	(14,268)	(13,447)	(13,928)	(119,479)	(188,428)
Revolving credits	26	3.72	(845,686)	-	-	-	-	-	(845,686)
Trade facilities	28	3.46	(22,627)	-	-	-	-	-	(22,627)
Bank overdrafts	29	6.65	(460)	-	-	-	-	-	(460)
Term loans	27	4.62	(119,410)	(149,338)	(139,330)	(5,905)	(5,905)	(13,192)	(433,080)
Company									
Fixed rate									
Deposits	17	1.94	53,900	-	-	-	-	-	53,900
Lease liabilities	23	5.15	(2,723)	(329)	(345)	(363)	(224)	-	(3,984)
Sukuk Murabahah	30	5.25	(200,000)	(400,000)	(300,000)	-	(200,000)	(310,000)	(1,410,000)

Interest on financial instruments at fixed rates are fixed until the maturity of the instrument. Other financial instruments that are not included in the above tables are not subject to material interest rate risk.

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47. FINANCIAL INSTRUMENTS *cont'd*

(c) Foreign currency risk

The Group is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States Dollars ("USD"), United Arab Emirates ("UAE"), Dirhams ("AED"), Bahrain Dinars ("BHD"), Qatari Riyals ("QAR"), Omani Riyals ("OMR"), Vietnamese Dong ("VND") and Euro ("EUR"). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency which is pegged with the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before taxation to a reasonably possible change in AED, QAR and USD against the respective functional currencies of the Group's entities, with all variables held constant.

		Group	
		Profit before taxation 2021	Loss before taxation 2020
		RM'000	RM'000
AED/RM -	Strengthen 3.00%	(17,308)	12,761
	Weakened 3.00%	17,308	(12,761)
QAR/RM -	Strengthen 3.00%	(3,896)	2,001
	Weakened 3.00%	3,896	(2,001)
USD/RM -	Strengthen 3.00%	(492)	467
	Weakened 3.00%	492	(467)

Included in the following statement of financial position captions of the Group as at the reporting date are balances denominated in the following major foreign currencies:

	Bahrain Dinars	UAE Dirhams	Qatar Riyals	Vietnamese Dong	United States Dollars	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
At 31 December 2021						
Cash, deposit and bank balances	1,000	618	16,536	12,446	1,907	32,507
Receivables	4,032	477,680	124,837	249	-	606,798
Payables	(26)	(99,205)	(87,177)	(4)	(22)	(186,434)
At 31 December 2020						
Cash, deposit and bank balances	10,083	696	93,843	13,259	695	118,576
Receivables	-	640,488	226,640	212	65	867,405
Payables	(1,193)	(304,034)	(271,504)	(206)	(124)	(577,061)

47. FINANCIAL INSTRUMENTS *cont'd*

(d) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by bank borrowings.

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within 1 year RM'000	More than 1 year less than 5 years RM'000	More than 5 years RM'000	Total RM'000
Group				
As at 31 December 2021				
Trade and other payables	913,577	124,990	-	1,038,567
Lease commitment payables				
- Principal	4,401	23,550	69,999	97,950
- Interest	8,032	28,021	36,153	72,206
Hire-purchase and lease liabilities				
- Principal	23,521	62,656	104,628	190,805
- Interest	10,120	30,688	17,612	58,420
Due to related parties	273	-	-	273
Loans and borrowings				
- Principal	1,741,318	1,088,294	8,763	2,838,375
- Interest	113,727	117,159	1,217	232,103
	2,814,969	1,475,358	238,372	4,528,699
As at 31 December 2020				
Trade and other payables	1,040,401	318,451	-	1,358,852
Lease commitment payables				
- Principal	4,067	21,075	76,874	102,016
- Interest	8,365	29,749	42,458	80,572
Hire-purchase and lease liabilities				
- Principal	30,349	68,563	119,479	218,391
- Interest	11,445	34,209	23,983	69,637
Due to related parties	743	-	-	743
Loans and borrowings				
- Principal	1,209,783	1,424,078	323,192	2,957,053
- Interest	129,635	171,191	5,974	306,800
	2,434,788	2,067,316	591,960	5,094,064

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47. **FINANCIAL INSTRUMENTS** *cont'd*

(d) **Liquidity risk** *cont'd*

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations. *cont'd*

	On demand or within 1 year RM'000	More than 1 year less than 5 years RM'000	More than 5 years RM'000	Total RM'000
Company				
As at 31 December 2021				
Other payables	14,118	214	-	14,332
Lease liabilities				
- Principal	2,731	11,787	2,451	16,969
- Interest	878	1,890	63	2,831
Loans and borrowings				
- Principal	400,000	810,000	-	1,210,000
- Interest	56,165	93,426	-	149,591
	473,892	917,317	2,514	1,393,723
As at 31 December 2020				
Other payables	16,282	205	-	16,487
Lease liabilities				
- Principal	2,723	1,261	-	3,984
- Interest	184	149	-	333
Loans and borrowings				
- Principal	200,000	900,000	310,000	1,410,000
- Interest	71,964	144,360	5,231	221,555
	291,153	1,045,975	315,231	1,652,359

(e) **Credit risk**

The Group's credit risk is primarily attributable to trade receivables. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise other receivables, due from related parties and cash and bank balances arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

On the trade receivables disclosed in Note 11, the Group has received a further RM106,801,000 subsequent to the reporting period. Management is closely monitoring its credit risk and is taking appropriate credit control measure for the collection of the remaining balances.

47. FINANCIAL INSTRUMENTS *cont'd*

(e) Credit risk *cont'd*

The exposure of credit risk for trade receivables as at the reporting date by geographic region are as follows:

	Group	
	2021	**2020**
	RM'000	**RM'000**
Malaysia	1,009,474	877,481
Middle East	105,680	233,733
	1,115,154	1,111,214

(f) Fair values

(i) The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

			Fair value measurement using		
	Note	**Total**	**Quoted prices (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
		RM'000	**RM'000**	**RM'000**	**RM'000**
Group					
As at 31 December 2021					
Assets measured at fair value					
Investment properties	7	1,722,515	-	-	1,722,515
Property, plant and equipment					
- Freehold land and buildings	4	146,475	-	-	146,475
Right-of-use assets:					
- Property, plant and equipment	23	40,350	-	-	40,350
- Investment properties	23	124,204	-	-	124,204
As at 31 December 2020					
Assets measured at fair value					
Investment properties	7	1,730,366	-	-	1,730,366
Property, plant and equipment					
- Freehold land and buildings	4	145,469	-	-	145,469
Right-of-use assets:					
- Property, plant and equipment	23	44,388	-	-	44,388
- Investment properties	23	129,109	-	-	129,109

There are no liabilities measured at fair value.

There were no transfer between Level 1, Level 2 and Level 3 during the financial year.

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47. FINANCIAL INSTRUMENTS *cont'd*

(f) Fair values *cont'd*

(ii) Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Group		Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
As at 31 December 2021				
Financial liabilities				
Sukuk Murabahah	(1,210,000)	(1,220,706)	(1,210,000)	(1,220,706)
As at 31 December 2020				
Financial asset				
Trade and other receivables under arbitration award	365,661	#	-	-
Financial liabilities				
Term loans	(245,200)	(222,372)	-	-
Sukuk Murabahah	(1,410,000)	(1,443,243)	(1,410,000)	(1,443,243)
Trade and other payables under arbitration award	(417,998)	#	-	-

\# *The fair value of the financial instruments in the previous financial year could not be reliably measured due to the then ongoing enforcement of an arbitration award. Further details are disclosed in Note 50(a).*

The management assessed that cash and short-term deposits, trade and other receivables, trade and other payables, due from/to related parties and borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments or the effects of discounting are immaterial.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(a) Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

(b) The fair values of the Sukuk Murabahah and MTNs are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments are also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair value due to the insignificant impact of discounting.

NOTES TO THE FINANCIAL STATEMENTS
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47. FINANCIAL INSTRUMENTS *cont'd*

(f) Fair values *cont'd*

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values: *cont'd*

(c) The fair values of the Group's interest-bearing borrowings and loans are determined by using the discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The non-performance risk as at 31 December 2021 was assessed to be insignificant.

(g) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(i) Financial assets at amortised cost (debt instruments) ("FAAC")
(ii) Financial liabilities at amortised cost ("FLAC")

	Note	Carrying amount RM'000	FAAC RM'000	FLAC RM'000
At 31 December 2021				
Group				
Financial assets				
Trade receivables	11	1,115,154	1,115,154	-
Other receivables, excluding prepayment and advances to subcontractors	13	527,253	527,253	-
Due from related parties	14	516,798	516,798	-
Cash and bank balances	17	283,691	283,691	-
		2,442,896	2,442,896	-
Financial liabilities				
Due to related parties	14	(273)	-	(273)
Trade payables	19	(801,574)	-	(801,574)
Other payables, excluding provision for foreseeable losses	20	(235,832)	-	(235,832)
Lease commitment payable	21	(97,950)	-	(97,950)
Hire-purchase and lease liabilities	23	(190,805)	-	(190,805)
Borrowings	25	(2,838,375)	-	(2,838,375)
		(4,164,809)	-	(4,164,809)

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47. FINANCIAL INSTRUMENTS *cont'd*

(g) Categories of financial instruments *cont'd*

The table below provides an analysis of financial instruments categorised as follows: *cont'd*

	Note	Carrying amount RM'000	FAAC RM'000	FLAC RM'000
At 31 December 2021				
Company				
Financial assets				
Other receivables, excluding prepayment	13	181	181	-
Due from related parties	14	1,923,671	1,923,671	-
Cash and bank balances	17	8,642	8,642	-
		1,932,494	1,932,494	-
Financial liabilities				
Due to related parties	14	(17,055)	-	(17,055)
Other payables	20	(14,329)	-	(14,329)
Lease liabilities	23	(16,969)	-	(16,969)
Borrowings	25	(1,210,000)	-	(1,210,000)
		(1,258,353)	-	(1,258,353)
At 31 December 2020				
Group				
Financial assets				
Trade receivables	11	1,111,214	1,111,214	-
Other receivables, excluding prepayment and advances to subcontractors	13	302,829	302,829	-
Due from related parties	14	552,781	552,781	-
Cash and bank balances	17	526,495	526,495	-
		2,493,319	2,493,319	-
Financial liabilities				
Due to related parties	14	(743)	-	(743)
Trade payables	19	(896,817)	-	(896,817)
Other payables, excluding provision for foreseeable losses	20	(460,209)	-	(460,209)
Lease commitment payable	21	(102,016)	-	(102,016)
Hire-purchase and lease liabilities	23	(218,391)	-	(218,391)
Borrowings	25	(2,957,053)	-	(2,957,053)
		(4,635,229)	-	(4,635,229)

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47. FINANCIAL INSTRUMENTS *cont'd*

(g) Categories of financial instruments *cont'd*

The table below provides an analysis of financial instruments categorised as follows: *cont'd*

	Note	Carrying amount RM'000	FAAC RM'000	FLAC RM'000
At 31 December 2020				
Company				
Financial assets				
Other receivables, excluding prepayment	13	496	496	-
Due from related parties	14	1,794,044	1,794,044	-
Cash and bank balances	17	149,332	149,332	-
		1,943,872	1,943,872	-
Financial liabilities				
Due to related parties	14	(187,967)	-	(187,967)
Other payables	20	(16,476)	-	(16,476)
Lease liabilities	23	(3,984)	-	(3,984)
Borrowings	25	(1,410,000)	-	(1,410,000)
		(1,618,427)	-	(1,618,427)

48. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	1 January 2021 RM'000	Cash flows RM'000	Other RM'000	31 December 2021 RM'000
Current interest-bearing loans and borrowings	1,209,783	(271,490)	803,025	1,741,318
Current hire-purchase and lease liabilities	30,349	(52,234)	45,406	23,521
Non-current interest-bearing loans and borrowings	1,747,270	24,698	(674,911)	1,097,057
Non-current hire-purchase and lease liabilities	188,042	-	(20,758)	167,284
Total liabilities from financing activities	3,175,444	(299,026)	152,762	3,029,180

	1 January 2020 RM'000	Cash flows RM'000	Other RM'000	31 December 2020 RM'000
Current interest-bearing loans and borrowings	1,188,132	(399,102)	420,753	1,209,783
Current hire-purchase and lease liabilities	30,174	(54,616)	54,791	30,349
Non-current interest-bearing loans and borrowings	1,897,777	138,845	(289,352)	1,747,270
Non-current hire-purchase and lease liabilities	210,245	-	(22,203)	188,042
Total liabilities from financing activities	3,326,328	(314,873)	163,989	3,175,444

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48. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES *cont'd*

Company	1 January 2021 RM'000	Cash flows RM'000	Other RM'000	31 December 2021 RM'000
Current interest-bearing loans and borrowings	200,000	(273,986)	473,986	400,000
Current hire-purchase and lease liabilities	2,723	(3,608)	3,616	2,731
Non-current interest-bearing loans and borrowings	1,210,000	-	(400,000)	810,000
Non-current hire-purchase and lease liabilities	1,261	-	12,977	14,238
Total liabilities from financing activities	1,413,984	(277,594)	90,579	1,226,969

	1 January 2020 RM'000	Cash flows RM'000	Other RM'000	31 December 2020 RM'000
Current interest-bearing loans and borrowings	183,250	(260,429)	277,179	200,000
Current hire-purchase and lease liabilities	3,048	(3,401)	3,076	2,723
Non-current interest-bearing loans and borrowings	1,310,000	100,000	(200,000)	1,210,000
Non-current hire-purchase and lease liabilities	3,984	-	(2,723)	1,261
Total liabilities from financing activities	1,500,282	(163,830)	77,532	1,413,984

49. CAPITAL MANAGEMENT

For the purpose of the Group's and the Company's capital management, capital includes their respective issued capital and all equity reserves attributable to the equity holders of the Company and of the subsidiaries of the Company, as the case may be. The primary objective of the capital management of the Group and of the Company is to maximise the shareholders' value.

In order to achieve this overall objective, the Group would continue to observe all the financial covenants attached to the Group's loans and borrowings. Breaches of such financial covenants may result in the banks and financial institutions calling back their loans and borrowings prior to the scheduled repayment dates. There have been no breaches of the financial covenants of any loans and borrowings in the current year.

The Group manages their capital structures and constantly makes adjustments after taking into account changes in the economic conditions and the financial covenants imposed on the Group. In managing the capital structure, the Group may declare varying dividends to its shareholders, return capital to shareholders and/or issue or buy back its shares. The Group also monitors its capital using a gearing ratio, which is defined as net debt divided by total equity. The net gearing ratio of the Group at the reporting date stood at 0.68 (2020: 0.66) time. The Group is continuously working towards reducing its gearing level via various de-gearing initiatives, such as equity fund raising, assets monetisation, disposal of lands which are not for immediate development as well as intensifying sales of the Group's existing properties under the property development segment in order to strengthen the Group's financial position and thereby improving the gearing level of the Group.

49. CAPITAL MANAGEMENT *cont'd*

	Group		Company	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
Loans and borrowings	2,838,375	2,957,053	1,210,000	1,410,000
Less: Cash and bank balances	(283,691)	(526,495)	(8,642)	(149,332)
Net debt	2,554,684	2,430,558	1,201,358	1,260,668
Equity attributable to the owners of the Company	2,989,756	2,904,839	3,419,965	3,403,807
Perpetual Sukuk	818,765	818,081	818,765	818,081
Non-controlling interest	(47,299)	(42,150)	-	-
Total equity	3,761,222	3,680,770	4,238,730	4,221,888
Net gearing ratio	68%	66%	28%	30%

The definition of gearing ratio is not governed by the MFRS and IFRS and may vary from one company to another.

50. ARBITRATION AWARDS

(a) Pursuant to the cancellation of the contract ("Contract") (previously awarded to WCTB Dubai Branch and Arabtec in a 50:50 joint venture ("the Joint Venture")) by Meydan Group LLC ("Meydan or the Employer") for the construction works in relation to the Nad Al Sheba Racecourse Project ("DRC Project") in which the Joint Venture was the main contractor and pursuant further to Meydan's subsequent call on the Joint Venture's bank guarantees, WCTB Dubai Branch, on 11 January 2009, jointly with Arabtec, commenced an arbitration proceeding against Meydan in the Dubai International Arbitration Centre for breach of contract and to enforce the Joint Venture's rights and remedies including the recovery of all amounts due under the Contract as well as damages.

The Joint Venture's bank guarantees that were called comprised the Performance Security amounting to AED461,300,000 (Group's share: AED230,650,000 or approximately RM262,205,000*) and the Advance Payment Guarantee amounting to AED77,300,000 (Group's share: AED38,650,000 or approximately RM43,938,000*). Management has accrued the amount payable on the Performance Security in the Group's consolidated financial statements, and has simultaneously recorded a receivable for the same amount from Meydan, pending resolution of the arbitration.

The Joint Venture's dispute and claims had been revised from time to time and the Group's share of the revised claims was in excess of AED1,400,000,000 (or approximately RM1,591,534,000*).

On 27 February 2013, WCTB Dubai Branch was informed by Arabtec that its board of directors has 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 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 Dubai Branch and Meydan in respect of WCTB Dubai Branch's rights in its share of the Joint Venture's claims namely approximately AED1,400,000,000 (or approximately RM1,591,534,000*).

On 8 July 2015, WCTB Dubai Branch 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 Branch, 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.

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50. ARBITRATION AWARDS *cont'd*

(a) *cont'd*

Consequently, the Arbitration Tribunal awarded to and in favor of WCTB Dubai Branch, and ordered Meydan to pay WCTB Dubai Branch a total of AED1,152,651,000 (approximately RM1,310,345,000*) being the aggregate of the following:.

(i) Principal sum of AED1,117,802,000 (approximately RM1,270,728,000*) ("Principal Sum");

(ii) Arbitration costs of AED8,197,000 (approximately RM9,318,000*); and

(iii) Legal costs of AED26,652,000 (approximately RM30,298,000*).

WCTB Dubai Branch 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 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. Both WCTB Dubai Branch's application for recognition of the Award and Meydan's application to annul the Award was then referred to the Special Judicial Committee accordingly.

On 12 January 2021, WCTB Dubai Branch received the Special Judicial Committee's decision dated 10 January 2021 where the Special Judicial Committee dismissed Meydan's application to annul the Award, dismissed Meydan's opposition of WCTB Dubai Branch's application to recognise the Award and upheld the Court of Appeal's decision dated 1 May 2019 recognising the Award.

On 13 July 2021, WCTB and Meydan entered into a settlement agreement ("Settlement Agreement") whereby Meydan will pay WCTB and WCTB 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 entire transaction herewith defined as "Meydan Settlement"). 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 WCTB. If enforced, the promissory note unconditionally and irrevocably promises WCTB that Meydan will pay on demand the Balance Settlement Sum.

On 16 July 2021, WCTB 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 WCTB and both WCTB Dubai Branch and Meydan will take steps to withdraw all pending proceedings against each other in relation to the Contract and/or the Award. WCTB has to date duly received the first and second quarterly instalments in accordance with and pursuant to the payment schedule in the Settlement Agreement. On 21 October 2021, WCTB had received the first instalment of AED37,260,000 (approximately RM42,135,000^^). As at 31 December 2021, the remaining amount receivable from Meydan (after discounting) was AED384,913,000 (approximately RM437,573,000*), of which AED145,978,000 (approximately RM165,949,000*) is receivable within the next 12 months as disclosed in Note 13.

50. ARBITRATION AWARDS *cont'd*

(a) *cont'd*

Having considered the facts surrounding the transaction including the Settlement Agreement, the financial capability of Meydan and Meydan's timely settlement of amount due according to the settlement plan, the Group recognised the entire amount receivable from Meydan in the financial year ended 31 December 2021 and discounted the amount receivable as at 31 December 2021 over the remaining repayment period to account for time value of money. After having considered the remaining obligations attached to DRC Project, namely accruals for nominated subcontractor costs, commissions paid and payable, taxation and other incidental costs, the Meydan Settlement has resulted in a net gain of RM260,871,000 to the Group during the financial year, as tabulated below:

	2021 RM'000
Revenue	8,490
Other operating income (Note 37)	424,379
Administration expenses	(49,338)
Other expenses	(462)
Allowance for expected credit losses (Note 39(a))	(28,164)
Taxation	(94,034)
Net gain	260,871

The Group's share of assets and liabilities of the Joint Venture are as follows:

	2021 RM'000 *	2020 RM'000 #
Statement of financial position		
Non-current assets		
Property, plant and equipment	1	1
Trade receivables		
Contract receivables (1)	-	20,606
Contract assets (1)	-	224,669
Retention sum receivable (1)	-	48,470
Other receivables		
Advances paid to suppliers and subcontractors (1)	-	54,460
Performance security deposits (Note 13)	-	253,574
	1	601,780
Current assets		
Cash and bank balance	1	1
Other receivables		
Sundry receivables	4	4
Advances paid to suppliers and subcontractors	6,425	6,213
	6,430	6,218
Total assets	6,431	607,998

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50. ARBITRATION AWARDS *cont'd*

(a) *cont'd*

The Group's share of assets and liabilities of the Joint Venture are as follows: *cont'd*

	2021 RM'000 *	2020 RM'000 #
Statement of financial position *cont'd*		
Non-current liabilities		
Trade payables [(2)]	-	5,497
Retention sum payable [(2)]	-	1,875
Other payables (Note 20) [(2)]	-	180,504
Performance security payable to related party	-	249,132
Advances received from customer [(2)]	-	54,460
Amounts due to related parties	-	147,925
	-	639,393
Current liabilities		
Trade payables	312	302
Other payables [(2)]	29,630	9,591
Retention payable - current portion	2,778	2,686
Advance received from customer	8,647	8,363
	41,367	20,942
Total liabilities	41,367	660,335
Exchange reserve	13,122	11,603
Net liabilities	(34,936)	(52,337)
Deficit	(21,814)	(40,734)

(1) Receivables in the previous financial year included receivables amounting to RM242,337,000 in respect of the Nominated Subcontractors of the DRC Project

(2) Include payables of RM19,712,000 (2020: RM242,337,000) in respect of the Nominated Subcontractors of the DRC Project.

* Based on exchanges rate as at 31 December 2021
\# Based on exchanges rate as at 31 December 2020
^ Based on exchanges rate as at 13 July 2021
** Based on exchanges rate as at 15 July 2021
^^ Based on exchanges rate as at 21 October 2021

(b) WCTB's Middle East Regional Office in Doha, Qatar had on 8 July 2017 received from the Court of Arbitration of the International Chamber of Commerce ("ICC") a Request for Arbitration dated 22 June 2017 filed by Trans Gulf International Electro-Mechanical WLL, Powermech Engineering WLL and Trans Gulf International Electro-Mechanical WLL – Powermech Engineering WLL JV (collectively referred to as "the Claimants"), naming WCTB, as the Respondent.

Trans Gulf International Electro-Mechanical WLL – Powermech Engineering WLL JV ("the Claimant") was WCTB's subcontractor under a subcontract in respect of certain mechanical, electrical and plumbing related works for the Ministry of Interior ("MOI") Project in Doha, Qatar ("TGI-PE Subcontract"), where WCTB was the main contractor.

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50. ARBITRATION AWARDS *cont'd*

(b) *cont'd*

The Claimants are claiming from WCTB a total estimate sum of QAR181,573,000 (equivalent to RM208,439,000*) being alleged sums due pursuant to and under the TGI-PE Subcontract and further unquantified sums for legal costs, arbitration costs, and charges.

On 12 March 2020, WCTB received from its solicitors in Doha, Qatar, the Arbitral Tribunal's Final Award whereby the Arbitral Tribunal had dismissed WCTB's counterclaim and further ordered and awarded a sum of QAR132,536,000 (equivalent to RM152,147,000*) in favor of the Claimants ("TGI Final Award"), comprising the following:

1) Release of Retention sums amounting to QAR39,443,000 (equivalent to RM45,279,000*);

2) Return of Performance Bond monies amounting to QAR24,731,000 (equivalent to RM28,391,000*);

3) Payment of a sum of QAR61,866,000 (equivalent to RM71,020,000*) being sums claimed and due pursuant to the TGI-PE Subcontract; and

4) Late payment interest of QAR6,496,000 (equivalent to RM7,457,000*).

In addition, the Arbitral Tribunal has further ordered that WCTB pays to the Claimants:

5) QAR24,018,000 (equivalent to RM27,572,000*) in respect of the Claimants' legal, expert and other costs of and incidental to the arbitration proceedings; and

6) USD469,000 (equivalent to RM1,958,000*) in respect of the arbitration costs as fixed by the ICC.

The total amount payable by the Group arising from the TGI Final Award and related incidental costs had amounted to QAR158,247,000 (equivalent to RM181,677,000) ("Total TGI Payable"). In the previous financial year, the Group had accrued up to the Total TGI Payable, an additional RM146,663,000 to existing accruals already made in trade and other payables of RM35,014,000.

On 25 March 2020, WCTB filed an application to the Qatar Court of Appeal challenging the TGI Final Award.

On 14 January 2021, WCTB initiated negotiations with the Claimants which resulted in both parties reaching an amicable settlement and thereafter entered into a settlement agreement on 24 January 2021 whereby the Claimants agreed to accept a sum of QAR115,000,000 (equivalent to RM132,393,000*) as the full and final settlement of all obligations arising from the TGI Final Award, to be paid in accordance with an agreed payment schedule over a period of 17 months from the date of the settlement agreement. As the settlement sum payable was lower than the Total TGI Payable, a reversal of RM49,284,000 (Note 37) was made during financial year.

As at 31 December 2021, the Group has paid a total of QAR91,000,000 (approximately RM104,465,000*) to the Claimants, in accordance with the agreed payment schedule. The remaining unpaid amount of QAR24,000,000 (approximately RM26,837,000*) is repayable within the next 7 months as disclosed in Note 19.

* *Based on foreign exchange rate as at 31 December 2021*

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51. MATERIAL LITIGATION

Segi Astana had on 21 March 2019 through its solicitors served a Notice of Arbitration dated 21 March 2019 on MAHB, claiming against MAHB an estimated sum of not less than RM70,000,000 in respect of losses and damages suffered pertaining to, inter alia, the delay in the commencement of the commercial operation of the KLIA-2 Integrated Complex ("SASB's Claim"). The sums are payable pursuant to the Concession Agreement dated 22 September 2011 executed between Segi Astana, WCTB and MAHB ("Concession Agreement").

Concurrently, Segi Astana and WCTB had on 21 March 2019, received a Notice of Arbitration from MAHB through its solicitors, whereby MAHB is claiming from Segi Astana and WCTB fixed monthly charges of RM958,849 per month for the supply of chilled water for the cooling system of the KLIA-2 Integrated Complex from September 2013 to date, allegedly due pursuant to the Concession Agreement ("MAHB's Claim").

After completing the arbitral proceedings in respect of MAHB's Claim, Segi Astana had on 2 April 2021, received the Arbitrator's final award, where the Arbitrator had issued the following orders:

(i) A declaration that fixed monthly charges for chilled water for the cooling system of the KLIA-2 Integrated Complex at the rate of RM958,849.33 per month is payable by Segi Astana to MAHB on a monthly basis from 2 May 2014 to September 2020 (amounting to RM73,832,000). SASB has since October 2020 adopted the stipulated fixed monthly charges of RM958,849.33 per month;

(ii) An order for specific performance of Segi Astana's obligations under clause 8.1(d) of the Concession Agreement (where Segi Astana is to procure chilled water from MAHB's privatised chilled water supplier, Airport Cooling Energy Supply Sdn. Bhd. ("ACES"));

(iii) Consequent to (ii) above, Segi Astana is to pay RM73,832,000 to ACES;

(iv) Segi Astana is to pay MAHB RM894,000 for legal, arbitral and other related costs incurred; and

(v) Segi Astana is to pay 5% per annum interest on all sums payable by Segi Astana to MAHB.

In addition to the above, the Arbitrator also made the following ruling:

(vi) All claims by MAHB against WCTB are dismissed;

(vii) No late payment interest is payable on the amount of RM73,832,000 payable by Segi Astana to ACES.

Pursuant to the receipt of further legal advice on the above final award in respect of the MAHB's Claim and in accordance thereto, Segi Astana has filed an application at the High Court of Malaya to challenge the validity of the final award. Concurrently, MAHB had also filed an application to the High Court of Malaya for recognition of the final award. Both applications were heard together by the High Court and on 1 September 2021 the High Court dismissed Segi Astana's application and allowed MAHB's application. On 10 September 2021, Segi Astana filed appeals to the Court of Appeal against the aforesaid High Court decisions.

On 1 November 2021 MAHB and Segi Astana entered into a mutually agreed amicable payment agreement for the amounts awarded under the final award in respect of the MAHB's Claim to be settled by Segi Astana progressively over a period of nine (9) months. Pursuant to the terms of the payment agreement, all pending legal proceedings arising from the arbitration in respect of the MAHB's Claim were discontinued and withdrawn with no order as to costs. Although the said payment agreement did not reduce the amount payable, it deferred SASB's repayment of the final of MAHB's Claim to August 2022.

In the previous financial year, the Group has shared its portion of the additional losses (above the existing amount already accrued for fixed monthly charges) amounted to RM27,679,000 in relation to the final award of MAHB's Claim. Of the total amount payable amounting to RM74,753,000 (comprising RM73,832,000 final award of MAHB's Claim and incidental costs of RM921,000 which were accrued for during the financial year ended 31 December 2020), Segi Astana has paid a total of RM50,000,000 (2020: Nil) as at reporting date.

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

52. SIGNIFICANT EVENTS

During the financial year:

(a) Outbreak of Coronavirus ("COVID-19")

In March 2020, the World Health Organisation has officially announced the outbreak of COVID-19 as a global pandemic. In order to combat the spread of COVID-19, the Government of Malaysia had declared a Movement Control Order ("MCO") which encompasses restriction of movement and closure of premises, except for those involved in essential services. The MCO which came into effect on 18 March 2020, followed by different MCO levels throughout 2020 and 2021 had resulted in restrictions in business activities and directly impacted the demand for the Group's products and services. In response to the COVID-19 pandemic, the Group had reviewed its business portfolios and adapted work methods and business strategies to respond to the immediate challenges, including streamlining procedures and moving some teams to work remotely, while prioritising the safety and health of its employees and protecting the interests of stakeholders. The Group's COVID-19 Task Force was set-up in March 2020 to co-ordinate these initiatives and effectively mitigate the risks arising from the pandemic and build business resilience.

The Group and the Company have accounted for the impact of the pandemic and the consequential effects on the results in their financial statements for the financial year ended 31 December 2021 and 31 December 2020.

As at 31 December 2021, the Group and the Company are in net current assets position of RM450,540,000 (2020: RM699,366,000) and RM503,095,000 (2020: RM609,333,000) respectively and with an amount of cash and cash equivalents of RM222,077,000 (2020: RM469,287,000) and RM8,642,000 (2020: RM149,332,000) respectively. The Group and the Company maintain a net gearing ratio of 0.68 times (2020: 0.66 times) and 0.28 times (2020: 0.30 times).

Having considered the COVID-19 impact and the current economic environment, the Directors continue to consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

(b) Disposal of lands

On 9 February 2021, GESB entered into a sale and purchase agreement with a third party for the disposal of a parcel of freehold land held under Geran No. 331488 (Lot 168850) measuring approximately 59,745 square metres, located at Mukim Klang, District of Klang, State of Selangor for a total consideration of RM64,309,000. This transaction was completed during the financial year.

On 16 August 2021, Jubilant Courtyard Sdn. Bhd. ("JCSB"), an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with a third party for the disposal of twelve parcels of vacant freehold land measuring approximately 602.5026 acres, located in Serendah, Daerah Ulu Selangor, State of Selangor for a total consideration of RM214,296,500. A deposit of RM21,429,650 was received on 16 August 2021. This transaction has yet to be completed as at the date of this report.

(c) Settlement agreements

WCTB had on 24 January 2021 entered into a settlement agreement with TGI as disclosed in Note 50(b).

WCTB had on 13 July 2021 entered into a settlement agreement with Meydan as disclosed in Note 50(a).

Segi Astana had on 1 November 2021 entered into an amicable payment agreement with MAHB as disclosed in Note 51.

(d) Investment in a new joint operation

Details on the investment in a new joint operation are disclosed in Note 10(a)(i).

(e) Acquisition of development rights

Details on the acquisition of development rights are disclosed in Note 8(a).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021
cont'd

53. SUBSEQUENT EVENT

On 25 February 2022 and 30 March 2022, the Company issued additional RM200,000,000 nominal value of Sukuk Murabahah in 2 series of RM100,000,000 each. Both series have tenure of 1.01 and 1 year and at profit rate of 4.00% and 4.05% per annum respectively. Both series are payable semi-annually in arrears commencing 6 months after the issue date.

54. SEGMENT INFORMATION

Business segments

The following table provides an analysis of the Group's revenue, results, assets and liabilities by business segments:

	Engineering and construction RM'000	Property development RM'000	Property investment and management RM'000	Unallocated RM'000	Eliminations RM'000	Consolidated RM'000
31 December 2021						
Revenue						
Revenue from external customers	1,230,183	317,333	152,152	-	-	1,699,668
Inter-segment revenue	179,575	-	3,608	-	(183,183)	-
Total revenue	1,409,758	317,333	155,760	-	(183,183)	1,699,668
Result						
Profit from operations	301,994	61,811	66,489	-	-	430,294
Finance costs						(118,133)
Share of (loss)/profit of associates	(302)	2,091	-	2,552	-	4,341
Share of profit/(loss) of joint ventures	1,400	(7,869)	(32,158)	-	-	(38,627)
Taxation						(137,907)
Profit after taxation						139,968
Assets and liabilities						
Segment assets	2,806,958	2,688,202	2,315,052	6	-	7,810,218
Interest in						
- associates	2,352	53,817	-	99,745	-	155,914
- joint ventures	4,499	74,408	183,931	-	-	262,838
						8,228,970
Segment liabilities	3,204,190	305,960	957,578	-	20	4,467,748

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
cont'd

54. SEGMENT INFORMATION *cont'd*

Business segments *cont'd*

The following table provides an analysis of the Group's revenue, results, assets and liabilities by business segments: *cont'd*

	Engineering and construction	Property development	Property investment and management	Unallocated	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2020						
Revenue						
Revenue from external customers	1,252,980	278,921	172,679	-	-	1,704,580
Inter-segment revenue	128,790	-	3,607	-	(132,397)	-
Total revenue	1,381,770	278,921	176,286	-	(132,397)	1,704,580
Result						
Profit/(loss) from operations	44,555	48,016	(4,515)	-	-	88,056
Finance costs						(120,222)
Share of (loss)/profit of associates	(4,778)	3,458	-	6,339	-	5,019
Share of profit/(loss) of joint ventures	1,220	(50,492)	(68,461)	-	-	(117,733)
Taxation						(34,757)
Loss after taxation						(179,637)
Assets and liabilities						
Segment assets	3,150,512	2,723,592	2,332,844	6	-	8,206,954
Interest in						
- associates	2,654	51,726	-	99,200	-	153,580
- joint ventures	3,099	81,021	155,499	-	-	239,619
						8,600,153
Segment liabilities	3,544,967	337,281	1,037,116	-	19	4,919,383

Geographical segments

The following table provides an analysis of the Group's revenue and assets, analysed by geographical segments:

	Total revenue from external customers		Segment assets	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Malaysia	1,677,648	1,428,587	7,502,580	7,527,270
Middle East	22,020	275,993	626,527	973,428
India	-	-	99,750	99,206
Others	-	-	113	249
Consolidated	1,699,668	1,704,580	8,228,970	8,600,153

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
cont'd

54. SEGMENT INFORMATION *cont'd*

Geographical segments *cont'd*

The Group has no significant concentration of credit risk that may arise from exposures to a single receivable or to groups of receivables other than those disclosed in Note 11. The Group's normal trade credit terms for trade receivables are 30 to 90 days (2020: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

(a) Reporting format

The Group has 3 reportable segments as described below, which are the Group's strategic business units. Management monitors the operating results of its business segments for the purpose of decision making. Segment performance is evaluated based on profitability and is measured consistently with operating profit in the consolidated financial statements. However, Group's financing and income taxes are managed on a group basis and are not allocated to operating segments.

(b) Business segments

The following are the main business segments:

(i) engineering and construction - engineering works specialising in earthworks, highway construction and related infrastructure works;

(ii) property development - the development of residential and commercial properties; and

(iii) property investment and management - holding and management of assets for capital appreciation and rental income.

(c) Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. The Group's business segments operate in four main geographical areas:

(i) Malaysia - the operations in this area are principally engineering and constructions, property development, property investment and management and investment holding;

(ii) Middle East - the operations in this area are principally through the construction of roads, utilities, underground car parks and a light rail transit station in a new township and the construction of a government administration building in Qatar;

(iii) India - the operation in this area is principally the highway concessionaire; and

(iv) Others - primarily investment holding companies in Mauritius and Vietnam.

(d) Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

LIST OF TOP 10 PROPERTIES OF THE GROUP

No.	Location	Description	Land area or Built-up Area under Valuation (sq ft = sf)	Tenure/ Age of Building (where applicable) (Years)	Existing Use	No of Units	Date of Valuation / Acquisition / Completion	Carrying value as at 31 December 2021 RM
1.	Paradigm Mall, Johor Bahru Jalan Mewah Ria 2, Taman Bukit Mewah, 81200 Johor Bahru, Johor Darul Takzim.	A 6-storey shopping mall together with 2 storey car park and a basement car park	1,287,000 sf (Retail net lettable area)	Freehold /5	Owner operated	1	Valuation : December 2021	1,105,932,251
2.	Seven (7) parcels of land at Mukim of Petaling, Daerah Kuala Lumpur, Wilayah Persekutuan.	On-going and Future mixed development	58.33 acres	Freehold	Property development project	-	Acquisition : SSA date – 14 March 2012; 25 November 2015	1,024,085,756
3.	Paradigm Mall, Petaling Jaya No.1, Jalan SS7/26A, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.	A 6-storey shopping mall together with 2 levels of basement and 4 levels of elevated car park floors	672,000 sf (Retail net lettable area)	Leasehold interest 99 years expiring on 9 February 2111 / 9	Owner operated	1	Valuation : December 2021	596,947,173
4.	Bukit Tinggi Shopping Centre, No.1, Persiaran Batu Nilam 1/KS 6, Bandar Bukit Tinggi 2, 41200 Klang. Selangor Darul Ehsan.	A 6-storey shopping mall	1,000,950 sf (Retail gross lettable area)	Freehold / 14	Leased to AEON Co. (M) Bhd	1	Valuation: December 2021	562,815,871
5.	gateway@klia2, KL International Airport , Jalan klia 2/1, 64000 KLIA, Sepang, Selangor Darul Ehsan.	Integrated Complex with shopping mall, transportation hub and airport car park building with 5,690 parking lots	383,000 sf (Retail net lettable area)	Leasehold interest expiring 11 February 2034 / 8	Owner operated	1	Completion : 20 September 2013	488,349,670
6.	New World Hotel, Petaling Jaya, No.1, Jalan SS7/26A, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.	A five-star hotel with 300 fully furnished guest rooms with hotel facilities	316,466 sf	Leasehold interest 99 years expiring on 9 February 2111/5	Owner operated	1	Valuation: December 2021	242,000,000
7.	No.2 , Persiaran Medini Utara 3, 79000 Nusajaya, Johor Darul Takzim.	Completed stock properties: residential condominiums, retail office, commercial office; sales gallery	655 sf to 20,328 sf Total = 481,833 sf	Leasehold interest 99 years expiring on 1 January 2111/5 to 7	For sales	273	Completion : June 2015 to March 2017	213,935,465

LIST OF TOP 10 PROPERTIES OF THE GROUP
cont'd

No.	Location	Description	Land area or Built-up Area under Valuation (sq ft = sf)	Tenure/ Age of Building (where applicable) (Years)	Existing Use	No of Units	Date of Valuation / Acquisition / Completion	Carrying value as at 31 December 2021 RM
8.	Nine (9) parcels of land at Mukim Pulai, Daerah Johor Bahru, Negeri Johor.	Proposed commercial development	20.8 acres	Leasehold interest 99 years expiring on 14 February 2107	Vacant	-	Acquisition : SPA date – 14 December 2010; 22 August 2013; 30 December 2014	200,410,087
9.	Twelve (12) parcels of land at Mukim Bandar Serendah, Daerah Ulu Selangor, Negeri Selangor.	Future mixed development	608.63 acres	Freehold	Property Development Project	-	Acquisition: October 2011/ October 2014	146,462,050
10.	The Ascent, Paradigm No.1 Jalan SS7/26A, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.	Corporate office tower together with 865 car park bays	520,596 sf (Net lettable area)	Lease period of 15 years expiring on 11 July 2032	Tenanted	1	Valuation : December 2021	144,438,835

ANALYSIS OF SHAREHOLDINGS

As at 31 March 2022

(A) ORDINARY SHARES AS AT 31 MARCH 2022

Total number of issued shares	:	1,417,235,529^
Voting rights	:	One (1) vote per ordinary share

(1) Analysis by size of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	4,723	25.58	196,303	0.01
100 - 1,000	2,261	12.24	754,750	0.05
1,001 - 10,000	5,928	32.11	25,164,557	1.78
10,001 - 100,000	4,690	25.40	132,915,594	9.38
100,001 to less than 5% of issued shares	860	4.66	918,476,902	64.81
5% and above of issued shares	2	0.01	339,727,423	23.97
Total	**18,464**	**100.00**	**1,417,235,529^**	**100.00**

^ excluding treasury shares of 914,942

(2) Thirty Largest Shareholders

No.	Names	No. of Shares	%*
1.	UOBM Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Dominion Nexus Sdn Bhd)*	257,220,078	18.15
2.	AmanahRaya Trustees Berhad *(Amanah Saham Bumiputera)*	82,507,345	5.82
3.	Cheah Fook Ling	68,847,060	4.86
4.	Cimsec Nominees (Tempatan) Sdn Bhd *(CIMB for Tan Sri Lim Siew Choon (PB))*	43,436,137	3.06
5.	Citigroup Nominees (Tempatan) Sdn Bhd *(UBS AG Singapore for Lee Vui Han)*	39,270,113	2.77
6.	AmanahRaya Trustees Berhad *(Amanah Saham Malaysia 2-Wawasan)*	35,217,170	2.48
7.	AmanahRaya Trustees Berhad *(Amanah Saham Malaysia)*	34,990,076	2.47
8.	Affin Hwang Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Tan Sri Lim Siew Choon)*	30,865,600	2.18
9.	AllianceGroup Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Tan Sri Lim Siew Choon (6000160))*	23,300,000	1.64
10.	Cimsec Nominees (Tempatan) Sdn Bhd *(CIMB for Choo Chuo Siong (PB))*	18,706,478	1.32
11.	Goh Chin Liong	14,948,005	1.05

ANALYSIS OF SHAREHOLDINGS
As at 31 March 2022
cont'd

(2) Thirty Largest Shareholders *cont'd*

No.	Names	No. of Shares	%*
12.	HSBC Nominees (Tempatan) Sdn Bhd *(HSBC (M) Trustee Bhd for Manulife Investment Shariah Progress Fund)*	14,612,728	1.03
13.	Affin Hwang Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Koh Goh Yuan)*	14,199,600	1.00
14.	Citigroup Nominees (Tempatan) Sdn Bhd *(Great Eastern Life Assurance (Malaysia) Berhad (LEEF))*	12,845,700	0.91
15.	Cartaban Nominees (Asing) Sdn Bhd *(SSBT Fund J724 for SPDR S&P Emerging Markets ETF)*	12,831,826	0.91
16.	HSBC Nominees (Asing) Sdn Bhd *(JPMCB NA for Vanguard Total International Stock Index Fund)*	12,652,477	0.89
17.	HSBC Nominees (Asing) Sdn Bhd *(JPMCB NA for Vanguard Emerging Markets Stock Index Fund)*	11,980,664	0.85
18.	AmanahRaya Trustees Berhad *(Public Strategic SmallCap Fund)*	11,501,330	0.81
19.	RHB Capital Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Harry Lee Vui Khiun)*	11,250,000	0.79
20.	Tan Yu Yeh	11,220,064	0.79
21.	Kenanga Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Harry Lee Vui Khiun)*	9,304,373	0.66
22.	Cimsec Nominees (Asing) Sdn Bhd *(CIMB for Stonecat Corporation (PB))*	8,306,265	0.59
23.	CIMB Group Nominees (Tempatan) Sdn Bhd *(Aiiman Asset Management Sdn Bhd for Lembaga Tabung Haji)*	7,532,992	0.53
24.	Maybank Nominees (Tempatan) Sdn Bhd *(Etiqa Life Insurance Berhad (Growth))*	7,375,696	0.52
25.	UOB Kay Hian Nominees (Asing) Sdn Bhd *(Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients))*	7,342,111	0.52
26.	Citigroup Nominees (Tempatan) Sdn Bhd *(Exempt AN for OCBC Securities Private Limited (Client A/C-R ES)*	7,262,891	0.51
27.	Citigroup Nominees (Tempatan) Sdn Bhd *(Great Eastern Life Assurance (Malaysia) Berhad (LPF))*	6,927,700	0.49
28.	Pintaras Jaya Sdn Bhd	6,593,602	0.47
29.	Lean Hoen Sew	6,526,864	0.46
30.	Citigroup Nominees (Tempatan) Sdn Bhd *(UBS AG Singapore for Maureen Sinsua)*	6,060,000	0.43

ANALYSIS OF SHAREHOLDINGS

As at 31 March 2022
cont'd

(3) Substantial Shareholders as per Register of Substantial Shareholders

Name	Direct Interest No. of Shares	Direct Interest %*	Deemed Interest No. of Shares	Deemed Interest %*
Tan Sri Lim Siew Choon	105,142,753	7.42	257,220,078[1]	18.15
Legacy Pacific Limited	-	-	257,220,078[2]	18.15
Dominion Nexus Sdn Bhd	257,220,078	18.15	-	-
AmanahRaya Trustees Berhad - Skim Amanah Saham Bumiputera	82,507,345	5.82	-	-

(B) STATEMENT OF DIRECTORS' INTERESTS IN THE SECURITIES OF THE COMPANY AS PER THE REGISTERS PURSUANT TO THE COMPANIES ACT 2016 AS AT 31 MARCH 2022

(1) Directors' Interests in Ordinary Shares

Name	Direct Interest No. of Shares	Direct Interest %*	Deemed Interest No. of Shares	Deemed Interest %*
Tan Sri Lim Siew Choon	105,142,753	7.42	257,220,078[1]	18.15
Liang Kai Chong	3,925,122	0.28	277,635[3]	0.02

(2) Directors' Interests in Options over Ordinary Shares

Name	No. of Options Unexercised
Liang Kai Chong	750,000

Notes:

** Based on 1,417,235,529 shares (Total number of issued shares of 1,418,150,471 less treasury shares of 914,942)*
[1] Deemed interested by virtue of his interest in Dominion Nexus Sdn Bhd via Legacy Pacific Limited.
[2] Deemed interested by virtue of its interest in Dominion Nexus Sdn Bhd
[3] Deemed interested through his spouse's interest in the Company

NOTICE OF ELEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eleventh Annual General Meeting ("11th AGM") of WCT Holdings Berhad ("WCT" or "the Company") will be held virtually through live streaming from the broadcast venue at the Meeting Room, Level 3, New World Petaling Jaya Hotel, Paradigm, No. 1, Jalan SS7/26A, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia ("Broadcast Venue") on Wednesday, 15 June 2022 at 10.00 a.m. for the following purposes:

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2021 together with the Reports of the Directors and Auditors thereon.

2. To declare and approve the payment of a final single tier cash dividend of 0.5 sen per ordinary share for the financial year ended 31 December 2021. Resolution 1

3. To re-elect the following Directors who retire in accordance with Article 82 of the Company's Constitution and being eligible, have offered themselves for re-election:

   (a) Tan Sri Marzuki Bin Mohd Noor Resolution 2
   (b) Datuk Ab Wahab Bin Khalil Resolution 3
   (c) Dato' Lee Tuck Fook Resolution 4

4. To re-appoint Messrs Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. Resolution 5

As Special Business

To consider and, if thought fit, to pass the following Ordinary Resolutions:

5. **Payment of Directors' fees**

   "THAT the Directors' fees for the period from 16 June 2022 until the next Annual General Meeting ("AGM") of the Company to be held in 2023, be and is hereby approved for payment." Resolution 6

6. **Payment of Directors' benefits**

   "THAT the Directors' benefits (excluding Directors' fees) for the period from 16 June 2022 until the next AGM of the Company to be held in 2023, be and is hereby approved for payment." Resolution 7

7. **Authority to allot and issue shares**

   "THAT pursuant to Section 75 and 76 of the Companies Act 2016, and subject to the approval of the relevant governmental/regulatory authorities (if any), the Directors of the Company be and are hereby empowered to allot and issue new shares in the Company, at any time, at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this approval does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." Resolution 8

NOTICE OF ELEVENTH ANNUAL GENERAL MEETING
cont'd

8. **Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature ("Proposed Renewal of RRPT Mandate")**

"THAT approval be and is hereby given to the Company and its subsidiaries ("WCT Group") to enter into and give effect to the recurrent related party transactions of a revenue or trading nature and with all classes of related parties as set out in Section 2, Part A of the Circular to Shareholders dated 27 April 2022 which are necessary for the Group's day-to-day operations, provided that:

(i) the transactions are in the ordinary course of business and are carried out at arm's length basis on normal commercial terms of the WCT Group and on terms not more favourable to the related parties than those generally available to the public or third parties where applicable and not to the detriment of the minority shareholders of the Company; and

(ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year based on the following information:

(a) the type of the recurrent related party transactions made; and
(b) the names of the related parties involved in the recurrent related party transactions made and their relationship with the WCT Group.

THAT such approval shall continue to be in force until:

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
(b) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act, 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
(c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by the Proposed Renewal of RRPT Mandate." Resolution 9

9. **Proposed Renewal of Share Buy-Back Authority**

"THAT subject to the Companies Act, 2016 (the "Act"), rules, regulations and orders made pursuant to the Act (as may be amended, modified or re-enacted from time to time), the provisions of the Company's Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and approvals of any other relevant authority, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares in the Company ("Shares") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

(i) the aggregate number of Shares which may be purchased by the Company shall not exceed ten percent (10%) of the total number of issued ordinary shares of the Company for the time being;

(ii) the maximum funds to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the retained profits of the Company based on its audited financial statements for the financial year ended 31 December 2021;

NOTICE OF ELEVENTH ANNUAL GENERAL MEETING
cont'd

(iii) the authority conferred by this resolution will commence immediately upon the passing of this ordinary resolution and will continue to be in force until:

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
(b) the expiration of the period within which the next AGM is required by law to be held; or
(c) revoked or varied by ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities; and

(iv) upon completion of each purchase of Shares by the Company, the Directors of the Company be and are hereby authorised to cancel the Shares so purchased or to retain the Shares so purchased as treasury shares which may be distributed as dividend to shareholders or resold on Bursa Securities or subsequently cancelled or to retain part of the Shares so purchased as treasury shares and cancel the remainder and/or to deal with the Shares in any other manner as may be allowed or prescribed by the Act or any other rules, regulations and/or orders made pursuant to the Act and the Main Market Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to effect the purchase(s) of Shares with full powers to assent to any conditions, modifications, resolutions, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company in relation to such purchase(s) of Shares." Resolution 10

10. To transact any other business of which due notice shall have been given.

NOTICE OF DIVIDEND PAYMENT AND ENTITLEMENT DATE

NOTICE IS ALSO HEREBY GIVEN that a final single tier cash dividend of 0.5 sen per ordinary share for the financial year ended 31 December 2021, if approved at the 11th AGM of the Company, will be payable on 15 July 2022.

The entitlement date shall be fixed on 30 June 2022 and a Depositor shall qualify for entitlement only in respect of:

(a) Shares transferred into the Depositor's Securities Account before 4.30 p.m. on 30 June 2022 in respect of ordinary transfers; and

(b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

LOH CHEE MUN
(SSM PC No.: 201908002041/MAICSA 7025198)
CHONG KIAN FAH
(SSM PC No.: 201908003381/MIA 17238)
Company Secretaries

Selangor Darul Ehsan
27 April 2022

NOTICE OF ELEVENTH ANNUAL GENERAL MEETING
cont'd

NOTES:

A. VIRTUAL ANNUAL GENERAL MEETING

1. The Company's 11th AGM will be held as a virtual meeting where shareholders are only allowed to participate remotely via live streaming and online voting using Remote Participation and Electronic Voting ("RPEV") facilities which are available at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657).

   Please follow the procedures provided in the Administrative Details for the 11th AGM, which is available at this link https://www.wct.com.my/11thAGM/, in order to register, participate and vote at the 11th AGM of the Company remotely via the RPEV facilities.

2. Shareholders who have duly registered online to participate in the 11th AGM via the RPEV facilities would be able to exercise their rights to participate (including to pose questions to the Company) and vote at the 11th AGM of the Company remotely. Shareholders may use the query box facility to submit questions in real time during the 11th AGM or e-mail questions to enquiries@wct.my prior to the meeting.

3. The Broadcast Venue of the 11th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 ("the Act") which requires the Chairman of the meeting to be present at the main venue. **No shareholder/proxy from the public shall be physically present at the Broadcast Venue.**

B. PROXY

1. A member entitled to attend and vote at the meeting may appoint not more than two (2) proxies to attend and vote using RPEV facilities, on his/her behalf and such proxy may but need not be a member of the Company.

2. In the case of a member who is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit as to the number of proxies it may appoint.

3. If a member entitled to attend and vote at the meeting is not able to personally participate in the 11th AGM via the RPEV facilities, such member may appoint a proxy or the Chairman of the Meeting as his/her proxy to participate and vote at the virtual 11th AGM shall indicate his/her voting instructions in the instrument appointing a proxy.

4. Where a member appoints two (2) proxies or where an Exempt Authorised Nominee appoints two (2) or more proxies, the appointment shall only be valid if the proportion of shareholdings to be represented by each proxy is clearly specified in the instrument appointing the proxies.

5. The instrument appointing a proxy shall be in writing under the hand of the member or of his/her attorney duly authorised in writing or if the member is a corporation, shall be executed either under its common seal or under the hand of the authorised officer or of its attorney duly authorised in writing.

6. The instrument appointing a proxy must either be deposited at the Poll Administrator office of the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or submitted electronically via email to bsr.helpdesk@boardroomlimited.com or via the Boardroom Smart Investor Portal at https://investor.boardroomlimited.com before 10.00 a.m. on 14 June 2022. Please refer to the procedures provided in the Administrative Details for further information on the submission of proxy form electronically.

7. All resolutions set out in this Notice will be put to vote by poll pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

C. AUDITED FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 31 DECEMBER 2021

The audited financial statements are for discussion only under Agenda 1, as they do not require shareholders' approval under the provisions of Section 340(1)(a) of the Act. Hence, this Agenda 1 is not put forward for voting.

NOTICE OF ELEVENTH ANNUAL GENERAL MEETING
cont'd

D. EXPLANATORY NOTES ON SPECIAL BUSINESS

Resolutions 6 and 7

The proposed Ordinary Resolutions 6 and 7, if passed, will facilitate the payment of Directors' fees and benefits payable/provided to the Directors of the Company and its subsidiaries for the period commencing from 16 June 2022 until the next AGM of the Company to be held in 2023, in accordance with the payment schedule as set out below:

	The Company		Subsidiary Company
	Executive Director	**Non-Executive Director**	**Director**
Director's Fee (per month)	RM1,000	RM7,000	RM1,000
Board Meeting Attendance Fee (per meeting attended)	-	RM1,000	-
Board Committee Meeting Attendance Fee (per meeting attended)	-	RM2,000 (Chairman) RM1,000 (Member)	-

The Directors' benefits (excluding Directors' fees) payable/provided to Non-Executive Directors of the Company comprise meeting attendance fees and benefit-in-kind such as insurance coverage pursuant to the Group's Personal Insurance & Group Hospitalization Scheme, Directors' and Officers' Liability Insurance as well as other claimable expenses incurred in the course of carrying out their duties.

The abovementioned Director's fees and benefits which are subject to the approval of the shareholders of the Company at the 11th AGM pursuant to Section 230(1) of the Act, do not include salaries, benefits and emoluments of the Executive Directors of the Company and the directors of the Company's subsidiary companies which they receive by virtue of and pursuant to their contracts of service or employment.

Payment of Directors' fees and benefits to the Directors of the Company will be made by the Company and its subsidiaries monthly in arrears and/or as and when incurred, if the proposed Resolutions 6 and 7 are passed at the 11th AGM. The Board is of the view that it is just and equitable for the Directors to be paid the Directors' fees and benefits on such basis, after they have discharged their responsibilities and rendered their services to the Company and its subsidiaries throughout the current period.

Resolution 8

The proposed Ordinary Resolution 8, if passed, will empower the Directors to allot shares in the Company up to an amount not exceeding 10% of the total number of issued shares of the Company for the time being, for any possible fund raising activities, including but not limited to placement of shares, for the purposes of funding future investment projects, working capital, acquisition and/or so forth. This approval is a renewal of general mandate and is sought to provide flexibility and avoid any delay and cost in convening a general meeting for such allotment of shares. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company. As at to-date, no new ordinary shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM of the Company held on 22 June 2021.

Resolution 9

The proposed Ordinary Resolution 9, if passed, will enable the WCT Group to enter into any of the recurrent related party transactions of a revenue or trading nature set out in Part A of the Circular to Shareholders of the Company dated 27 April 2022 which are necessary for the Group's day-to-day operations. This authority, unless revoked or varied by resolution passed by the shareholders of the Company at a general meeting, will expire at the conclusion of the next AGM, or the expiration of the period within which the next AGM is required by law to be held, whichever is the earliest.

Resolution 10

The proposed Ordinary Resolution 10, if passed, is to give authority to the Company to purchase its own shares for up to 10% of the Company's total number of issued shares at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Securities. Please refer to the Statement to Shareholders in relation to the Proposed Renewal of Share Buy-back Authority as set out in Part B of the Circular to Shareholders dated 27 April 2022.

NOTICE OF ELEVENTH ANNUAL GENERAL MEETING
cont'd

E. STATEMENT ACCOMPANYING NOTICE OF 11TH AGM

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

- **Details of individuals who are standing for election as Directors (excluding Directors standing for a re-election)**

  There are no individuals who are standing for election as Directors at the forthcoming 11th AGM of the Company, other than the Directors who are standing for re-election pursuant to Resolutions No, 2, 3 and 4 of the Notice of this meeting.

- **Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

  Details of the general mandate to issue securities in the Company pursuant to Section 75 and 76 of the Act are set out in Explanatory Note for Resolution 8 of the Notice of this meeting.

F. GENERAL MEETING RECORD OF DEPOSITORS

For the purpose of determining a member's eligibility to attend and vote at the 11th AGM, the Company will obtain a General Meeting Record of Depositors as at 9 June 2022 from Bursa Malaysia Depository Sdn Bhd in accordance with Article 57(3) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991. Only depositors whose names appear therein shall be entitled to attend in person or appoint proxy to attend and/or vote on their behalf via RPEV facilities, at the 11th AGM of the Company.

A copy of the Annual Report 2021, Circular to Shareholders, Notice of 11th AGM, Proxy Form,
Administrative Details and Request Form are available for download at this link https://www.wct.com.my/11thAGM/

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WCT Holdings Berhad
(201101002327/930464-M)
(Incorporated in Malaysia)

PROXY FORM

I/We ______________________________ CDS Account No. ______________________
(Name in full)
NRIC/Company No.: ______________________________ Mobile No.: ______________________

of ____
(Full address)
______________________________ being a member of **WCT Holdings Berhad**, hereby appoint:

(1) ______________________________ NRIC No. ______________________
(Name in full)
of ____
(Full address/Tel No./Email address)
______________________________ Number of shares represented: ______________________

(2) ______________________________ NRIC No. ______________________
(Name in full)
of ____
(Full address/Tel No./Email address)
______________________________ Number of shares represented: ______________________

or failing him, the Chairman of the meeting as my/our proxy to attend and vote for me/us on my/our behalf at the Eleventh Annual General Meeting of the Company will be held virtually through live streaming from the broadcast venue at the Meeting Room, Level 3, New World Petaling Jaya Hotel, Paradigm, No. 1, Jalan SS7/26A, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 15 June 2022 at 10.00 a.m. or at any adjournment thereof in the manner indicated below:

ORDINARY RESOLUTIONS		FOR	AGAINST
1	To approve the final cash dividend for the financial year ended 31 December 2021.		
2	To re-elect Tan Sri Marzuki Bin Mohd Noor as Director of the Company.		
3	To re-elect Datuk Ab Wahab Bin Khalil as Director of the Company.		
4	To re-elect Dato' Lee Tuck Fook as Director of the Company.		
5	To re-appoint Messrs Ernst & Young PLT as Auditors of the Company.		
6	To approve the payment of Directors' fees.		
7	To approve the payment of Directors' benefits.		
8	To authorise the allotment of new shares.		
9	To approve the Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions.		
10	To approve the Proposed Renewal of Share Buy-back Authority.		

Please indicate with an "X" in the appropriate space how you wish your vote to be cast. If this proxy form is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain from voting at his/her discretion.

Dated this ______________ day of ________________ 2022

No. of Ordinary Shares Held

____
Signature(s)/Common Seal of member(s)

Fold This Flap For Sealing

Notes:

A. VIRTUAL ANNUAL GENERAL MEETING

1. The Company's 11th AGM will be held as a virtual meeting where shareholders are only allowed to participate remotely via live streaming and online voting using Remote Participation and Electronic Voting ("RPEV") facilities which are available at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657).

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AFFIX
STAMP

The Share Registrar

BOARDROOM SHARE REGISTRARS SDN BHD
(Registration No. 199601006647 (378993-D))

11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

1st Fold Here

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www.wct.com.my

WCT Holdings Berhad
(201101002327/930464-M)
B-30-01, The Ascent, Paradigm,
No. 1, Jalan SS7/26A, Kelana Jaya,
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Fax : +(603) 7806 6610
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