



28 AUG, 2019

WCT set to bag its second Pavilion D'sara Heights job

The Sun, Malaysia

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WCT set to bag its **second** Pavilion D'sara Heights job

➤ Firm receives letter of intent for deal worth an estimated RM1 billion

PETALING JAYA: WCT Holdings Bhd's wholly owned subsidiary WCT Bhd (WCTB) has accepted a letter of intent from Jendela Mayang Sdn Bhd (JMSB) for the construction and completion of part of the Pavilion Damansara Heights commercial development, for an estimated contract sum of RM1.0 billion.

This comes after it clinched a RM1.77 billion contract for the same development last September.

Pavilion Damansara Heights is developed concurrently by JMSB and Impian Ekspressi Sdn Bhd, both companies in which WCT executive chairman and major shareholder Tan Sri Lim Siew Choon, is a substantial shareholder and director. Therefore, it is considered a related party transaction.

As such, the acceptance of the final award of the proposed contract will be subject to the approval of the board of directors of the company, whereby Lim will accordingly abstain from all deliberations and decisions relating to the proposed contract.

The scope of works under the proposed contract will encompass the execution and completion of a block of 32-storey office and hotel.

The letter of intent will not constitute a binding contract at this juncture as it is still subject to further negotiations and finalisation of the terms and conditions by both WCTB and JMSB.

WCT had on June 12, 2019 obtained shareholders' mandate at its AGM for it to enter into such a related party transaction.

Separately, WCT announced a 46.5% decline in its net profit for the second quarter ended June 30, 2019 to RM22.70 million from RM42.45 million, as some of the existing projects are nearing completion while the newly secured jobs are still in the early stages of construction.

Its revenue was 32.8% lower at RM450.11 million against RM669.90 million, due to lower contribution from the engineering & construction and property development divisions.

For the six-month period, WCT's net

profit declined 20.7% to RM63.02 million versus RM79.52 million a year ago, while revenue dropped 20.2% to RM964.76 million from RM1.21 billion.

WCT group managing director Datuk Lee Tuck Fook said in a statement the group recorded a satisfactory financial performance for the first half of 2019 despite facing considerable external and domestic headwinds.

"Our engineering & construction division has contributed positively to our performance, accounting for 75% of the group's consolidated revenue backed by a strong order book of RM5.9 billion. The group will continue to pursue new opportunities for new construction jobs to replenish its order book."

In the third quarter of this year, subject to market conditions, its property development division plans to launch Paradigm Residence in Johor Baru, while the property investment and management division aims to continue improving on the occupancy level and tenancy mix as well as enhancing its investment properties to stay relevant amid the changing consumer behaviour and spending patterns.

"We are confident that the performance from this division is expected to contribute positively to the group's revenue and profit," Lee said.



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SUMMARIES

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