



NEWS RELEASE

WCT Posts 1H Earnings Jump by 34%

PETALING JAYA, Thursday, 24 August 2017 – WCT Holdings Berhad (“WCT” or “the Group”), a leading engineering and construction as well as property company, announced today that it had registered a net profit of RM21 million for its 2nd quarter ended 30 June 2017 (as compared with RM32 million registered in the corresponding quarter last year).

The lower net profit in the 2nd quarter ended 30 June 2017 was mainly due to unrealised foreign exchange loss against an unrealised foreign exchange gain in the corresponding quarter a year ago. Excluding the effects of the foreign exchange losses and gains, the Group’s net profit for the quarter would have been higher at RM38 million (RM22 million in 2QFY2016).

Revenue for the quarter under review was at RM383 million compared with RM581 million recorded in the 2nd quarter of the last financial year, mainly due to lower construction billings.

The Group recorded a higher net profit of RM55 million for the first six-months ended 30 June 2017. This marked a significant increase of 34% compared with a net profit of RM41 million achieved last year. The improved profit came despite a lower revenue of RM857 million for the period under review compared with RM1.07 billion registered in the corresponding period last year, attributed to an improvement in the profit margin of the on-going construction jobs.

Basic earnings per share for the current year to date increased to 4.1 sen compared with 3.3 sen recorded in the preceding year corresponding period.

Dato’ Lee Tuck Fook, Group Managing Director of WCT, said, “The Group’s financial performance for the first half of 2017 has been satisfactory, more so in view of the challenging macro-economic headwinds. This is a testament of our continued efforts in strengthening our construction margins and prudent financial management.”

“Given the Malaysian Government’s emphasis on infrastructure development and spending, we are confident that the Group is well poised to secure more construction jobs which would contribute positively to our performance for the remaining of 2017 and thereafter.”

For 6 months ended 30 June 2017, WCT's Engineering and Construction Division recorded an operating profit before finance costs and tax of RM53 million (6M2016: RM33 million) on the back of a revenue of RM620 million (6M2016: RM881 million).

The Group's Property Development Division recorded an operating profit before finance costs and tax of RM26 million (6M2016: RM36 million) on the back of a revenue of RM206 million (6M2016: RM154 million). The decrease in operating profit before finance costs and tax was mainly due to lower margin registered from the Group's property development activities.

The Group's Property Investment and Management Division recorded an operating profit before finance costs and tax (including share of profits of joint ventures) of RM29 million (6M2016: RM28 million) on the back of a revenue of RM31 million (2Q 6M2016: RM31 million).

"As we move forward, we will continue to intensify our marketing and sales initiatives to increase property sales. In the meantime, we expect the Property Investment and Management division to continue to provide a stable income stream to the Group in view of the opening of our Paradigm Mall Johor Bahru and New World Hotel at Paradigm in Kelana Jaya by end of this year."

During the 2nd quarter ended 30 June 2017, WCT successfully placed out 100 million ordinary shares raising a total cash proceeds of RM178 million, which was utilized as a working capital to fund its on-going businesses as well as part payment of bank borrowings.

"All in all, we will continue to embark on various de-gearing initiatives such as equity fund raising as well as assets monetisation in an effort to strengthen the Group's balance sheet," Dato' Lee concluded.

About WCT Holdings Berhad

Founded in 1981, WCT was listed on the Bursa Malaysia in 1995. Currently with 2,000 employees and presence in six countries, WCT is an investment holding company involved in engineering and construction, property development and investment & management activities. Its engineering and construction expertise covers F1 racing circuits, airports, dams and water supply schemes, expressways and highways, civil works, interior fit-out works and buildings. The company's property development and investment & management portfolio includes townships, luxury homes, high-rise residences, industrial properties, offices, integrated commercial developments, concessions, hotels and shopping malls. WCT owns and operates Première Hotel, Klang and owns 3 shopping malls – Bukit Tinggi Shopping Centre in Klang, Paradigm Mall in Petaling Jaya, and the integrated complex – gateway@klia2 in Sepang, Selangor. WCT currently has a land bank of approximately 950 acres in Malaysia. For more information about WCT, please visit wct.com.my.