



NEWS RELEASE

WCT Records RM40 million in Net Profit for Q1 2019

PETALING JAYA, 27 May 2019 – WCT Holdings Berhad (“WCT” or “the Group), a leading engineering and construction as well as property company, announced today that it has registered a net profit of RM40 million for the first quarter ended 31 March, 2019. This is 8% marginally higher compared to RM37 million¹ preceding year’s corresponding quarter.

The Group recorded a lower revenue of RM515 million as compared to RM540 million recorded in the first quarter of the last financial year mainly due to lower revenue recognition of certain Engineering and Construction projects which are nearing completion.

Dato’ Lee Tuck Fook, Group Managing Director of WCT Holdings said, “Our performance for the current year to date has been in line with our expectations amidst the prevailing challenging market conditions. Our Engineering & Construction Division continues to be the Group’s main contributor of revenue, accounting for 73% of the Group’s consolidated revenue, supported by its strong outstanding order book comprising a mix of civil and infrastructure works and building construction jobs.”

The Group’s Engineering and Construction Division recorded an operating profit of RM33 million (Q1 FY2018: RM59 million) on the back of revenue of RM378 million (Q1 FY2019: RM446 million). The lower operating profit is mainly attributable to lower expected margins from the Group’s on-going construction projects and higher proportion of building construction projects with relatively lower margins. The lower revenue recognition is mainly due to some of the existing projects nearing completion and the newly secured jobs which are still in early stages of construction.

Meanwhile, the Group’s Property Development Division recorded a revenue of RM85 million (Q1FY2018: RM56 million). There was a significant increase in the operating profit of this division from RM9 million to RM37 million mainly due to higher revenue and profit arising from a completed sale of an undeveloped land during the quarter under review.

The operating profits of the Group’s Property Investment and Management Division surged to RM27 million (Q1 FY2018: RM16 million¹) on the back of higher revenue of RM52 million (Q1 FY2018: RM38 million¹). The higher operating profit and revenue for the quarter was mainly contributed by the improved occupancy level of Paradigm Mall in Johor Bahru and higher rental income from Bukit Tinggi Shopping Mall in Klang.

Basic earnings per share for the financial quarter ended 31 March 2019 is higher at 2.92 sen as compared 2.62 sen¹ recorded in the preceding year corresponding quarter.

“In 2019, subject to market conditions, our Property Development Division plans to launch new property projects which would better cater to the consumer demand for more affordable residential units as well as continue our efforts to reduce our unsold properties and idle landbanks. Our Property Investment and Management Division aims to continue improving on the occupancy level and tenancy mix as well as enhancing our investment properties to stay relevant amidst the changing consumer behaviour and spending patterns. This division is expected to contribute positively to the Group’s revenue and profit,” he added.

(¹ The revenue and profits for Property Investment and Management Division of the preceding year corresponding quarter have been restated for purpose of comparative information, in compliance with MFRS16: Lease which has been adopted by the Group with effect from 1 January 2019.)

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, dam and water supply scheme, expressways and highways, civil works, buildings and rail-based infrastructure works. The company's property development and investment & management portfolio includes townships, luxury homes, high-rise residences, integrated commercial developments, concession assets, hotels, and shopping malls. The Group owns five shopping malls/ centre – Bukit Tinggi Shopping Centre in Klang, the airport malls – gateway@klia2 and Skypark Terminal 3 in Selangor, Paradigm Mall in Petaling Jaya and Paradigm Mall in Johor Bahru. The Group also owns Premiere Hotel in Klang and New World Hotel in Paradigm Petaling Jaya. WCT currently has a land bank of approximately 853 acres in Malaysia. For more information about WCT, please visit www.wct.com.my.