



NEWS RELEASE

WCT continues to remain resilient despite challenging economic environment

PETALING JAYA, 5 August 2020 – WCT Holdings Berhad (“WCT” or “the Group”) a leading engineering and construction as well as property company aims to focus on prudent financial management and leveraging on the prospects of its three core business divisions, namely Engineering and Construction, Property Development and Property Investment & Management to drive growth.

Following the Group’s Ninth Annual General Meeting (“AGM”) today Dato’ Lee Tuck Fook, Group Managing Director of WCT said, “All resolutions tabled at the AGM today were duly approved by our shareholders. This includes the proposed final share dividend via a distribution of treasury shares on the basis of one treasury share for every one hundred existing ordinary shares held in the company.”

For the financial year ended 31 December 2019, the Group recorded a lower revenue of RM1.84 billion, as compared to RM2.30 billion reported in the preceding year. The Group registered a loss attributable to equity holders of RM27.3 million as compared to the preceding year’s profit of RM106.0 million¹ mainly due to provision for additional losses following the unfavourable final arbitral award in relation to a completed construction project in Qatar (“Final Arbitral Award”), lower profit contribution as a result of recently completed construction projects and projects which were nearing completion, higher finance costs as well as lower fair value gain on investment properties in FY2019 as compared to the financial year ended 31 December 2018.

Moving forward, the Group’s Engineering and Construction Division is expected to continue to be supported by its outstanding order book of over RM5 billion. The division recently secured a building construction job worth RM1.2 billion for the superstructure works for Phase 2 of Pavilion Damansara Heights in March 2020, further strengthening the Group’s outstanding order book.

Dato Lee said, “Our Group’s performance for the current financial year has been affected by the impact of the Covid-19 pandemic. With the implementation of the Movement Control Order (“MCO”) since 18 March 2020, there have been restrictions in business activities across all our businesses with lower level of activities at our construction sites due to stringent preventive measures and a drop in demand for our products and services.”

Dato' Lee further elaborated, "The extent of the impact of the Covid-19 pandemic on the Group's financial results would depend on various factors, including the speed of economic recovery, both domestically and internationally, as well as when the Covid-19 pandemic can be effectively contained. As we navigate through the challenges ahead, we will continue to prioritise the safety and well-being of our staff, customers, business associates as well as the general public and communities in which we operate."

For FY2020, the Group will focus on maintaining a healthy financial and cashflow position as well as continue driving its core business activities to mitigate the impact of the decline in revenue. The Group's Engineering and Construction Division will continue to focus on project execution, while the Property Development Division will continue its efforts to reduce its unsold properties, drive future sales as well as divest undeveloped lands to improve the operating cashflows. For our retail malls, we will continue to extend support to our tenants to ride through this challenging period. We will also introduce new promotions and activities to drive higher customer footfall and increase consumer spending, while observing preventive guidelines issued by the local authorities to safeguard the safety and wellbeing of our tenants, shoppers and employees.

(¹ Restated following the change in accounting policy on the capitalisation of borrowing costs and the reclassification of certain development costs from an investment property to inventory properties.)

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 in Selangor, Paradigm Mall in Petaling Jaya and Paradigm Mall in Johor Bahru. The Group also owns Première Hotel in Klang and New World Hotel in Paradigm Petaling Jaya. WCT currently has a land bank of approximately 820 acres in Malaysia. For more information about WCT, please visit www.wct.com.my.