



NEWS RELEASE

WCT Posts RM17 million Profit After Taxation

PETALING JAYA, 25 June 2020 – WCT Holdings Berhad (“WCT” or “the Group”), a leading engineering and construction as well as property company, announced today that it has delivered a profit after taxation of RM17 million for its first financial quarter ended 31 March 2020 as compared to RM39 million in the preceding year’s corresponding quarter. After taking into consideration the allocation to non-controlling interests and perpetual sukuk holders, the Group registered loss attributable to equity holders of RM0.017 million as compared to profit attributable to equity holders of RM40 million recorded in the financial quarter ended 31 March 2019.

The Group’s revenue for the quarter was lower at RM363 million as compared to RM515 million in the preceding financial year’s corresponding quarter. The Group’s Engineering and Construction Division was the primary contributor to the Group’s performance as the Division accounted for 67% of the consolidated revenue, backed by its outstanding order book comprising a mix of civil and infrastructure works as well as building construction jobs.

The Group’s Engineering and Construction Division recorded an operating profit of RM7 million (Q1 FY2019: RM33 million) on the back of revenue of RM241 million (Q1 FY2019: RM378 million). The lower revenue and operating profit were mainly attributable to slower progress of work done for some construction jobs and revisions in the expected margins of certain projects.

Dato’ Lee Tuck Fook, Group Managing Director of WCT Holdings said, “Our Engineering and Construction Division is expected to continue to be the primary contributor to our earnings. 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 our outstanding order book of approximately RM6 billion.”

The Group’s Property Development Division recorded a lower revenue and operating profit of RM74 million (Q1 FY2019: RM85 million) and RM24 million (Q1 FY2019: RM37 million) respectively. The revenue and operating profit in the corresponding period in 2019 were higher mainly due to higher revenue and profit arising from the sale of an undeveloped land.

Meanwhile, the Group’s Property Investment and Management Division recorded lower operating profit of RM22 million (Q1 FY2019: RM27 million) on the back of revenue of RM48 million (Q1 FY2019: RM52 million). Both the decrease in operating profit and revenue is mainly due to the lower contributions from the retail mall and hotel operations.

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 considerable restrictions in business activities across all our businesses with lower level of activities at our construction sites due to stringent preventive measures and a significant drop in demand for our products and services, including lower sales of property units, decline in consumer spending and shopper footfall in our retail malls as well as temporary suspension of our hotel operations.”

Dato Lee added, “The Group will focus on prudent financial management and driving our 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 to deliver sustainable level of financial results, while the Group’s Property Development Division will continue its efforts to reduce unsold properties by leveraging on new technologies and marketing channels to drive future sales as well as divesting undeveloped lands to improve our 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.”

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.