



NEWS RELEASE

WCT Remains Optimistic Despite Challenges of Covid-19

PETALING JAYA, 25 November 2020 – WCT Holdings Berhad (“WCT” or “the Group”), a leading engineering and construction as well as property company, recorded a higher revenue of RM423 million for its third quarter ended 30 September 2020 as compared to RM368 million in the preceding year’s corresponding quarter. The Group’s profit attributable to equity holders was lower at RM2 million, as compared to RM13 million in the preceding year’s corresponding quarter.

Cumulatively for the nine months ended 30 September 2020, the Group registered lower revenue of RM1.16 billion, 13% lower from RM1.33 billion registered in the preceding financial year and lower profit attributable to equity holders of RM9 million as compared to RM76 million in the preceding financial year corresponding period. The lower profit attributable to equity holders is primarily due to business disruptions caused by Covid-19 pandemic and the various phases of the Movement Control Order (“MCO”) since March 2020.

For the current year to date, The Group’s Engineering and Construction Division registered operating profit of RM41 million (3Q FY2019: RM96 million) on the back revenue of RM804 million (3Q FY2019: RM984 million). The lower operating profit and revenue were mainly due to the reduced construction activities during the MCO period and additional operating costs incurred during the pandemic.

Meanwhile, the Group’s Property Development Division recorded an improved revenue and operating profit of RM230 million (3Q FY2019: RM199 million) and RM64 million (3Q FY2019: RM51 million) respectively. The higher revenue and operating profit were mainly due to improved sales performance and higher profit recognition from the current property inventories and the completion of the Waltz Residences at W City OUG @ Kuala Lumpur in June 2020.

The Group’s Property Investment and Management Division recorded a lower operating profit of RM61 million (3Q FY2019: RM73 million) on the back of revenue of RM128million (3Q FY2019: RM151 million). The decrease in operating profit and revenue were mainly because of the lower income earned from the Group’s retail malls and hotel operations during the MCO period and support to retail tenants in the form of rental rebates.

Dato' Lee Tuck Fook, Group Managing Director of WCT Holdings Berhad said, "Our Engineering & Construction Division is expected to continue to be supported by its outstanding order book of over RM5 billion whilst focusing on project execution. With the recently announced mega infrastructure projects in Budget 2021, we expect the construction industry to remain vibrant in the foreseeable future and will augur well for our Engineering & Construction Division, which continues to be the Group's main contributor of revenue."

Lee added, "Despite the challenges the Covid-19 pandemic has brought, WCT continues to remain optimistic with contributions from our core business divisions. In early November 2020, the Group's Property Development Division launched The Maple Residences at W City OUG @ Kuala Lumpur. Tower A of the residences was well received by the public and achieved an impressive 72% bookings even before the official launch."

"For our retail malls, we will continue to extend support to our tenants and introduce new promotions and activities to drive higher customer footfall and increase consumer spending. In October 2020, WCT Malls launched its WCT Buddy Vouchers Bonanza Sales campaign, which aimed to give additional value to its loyal shoppers by offering 20% off cash voucher sales with minimum purchase of RM 200.00. The campaign, which was launched across all its malls - Paradigm Mall in Petaling Jaya and Johor Bahru, gateway@klia2 and SkyPark Terminal received overwhelming response and was fully purchased in less than a month," he added.

"We remain hopeful on the development of the Covid-19 vaccine to facilitate the smooth recovery of the world's economy in the coming months and countries reopening their borders. This will drive the revitalisation of the airport malls and hotels under our management and stimulate the uptake of our attractive property development offers," he 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, 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.