



NEWS RELEASE

WCT Announces Full Year 2018 Results with RM112 million in Net Profit

PETALING JAYA, Thursday 28 February 2019 – WCT Holdings Berhad (“WCT” or “the Group”), a leading engineering and construction as well as property company, recorded a higher revenue of RM738 million for its fourth quarter ended 31 December 2018 as compared with RM680 million in the preceding year’s corresponding quarter, mainly attributable to higher billings from local infrastructure and buildings projects. The net profit for the quarter under review was lower at RM3 million as compared to RM134 million in the preceding year’s corresponding quarter.

The Group’s revenue for the 12 months ended 31 December 2018 improved by 16% to RM 2,333 million as compared to RM2,005 million recorded in the preceding year, while the net profit for the year of RM112 million is lower as compared to the preceding year’s profit of RM228 million, mainly due to lower expected margins from the Group’s on-going construction and property development projects, higher finance costs and lower fair value gain on investment properties recorded in 2018.

Dato’ Lee Tuck Fook, Group Managing Director of WCT, said, “Despite the uncertainties and challenges we faced in the market, the Group has been able to deliver a satisfactory level of revenue and profits in 2018. Our Engineering & Construction Division continues to be the main revenue and profit contributor. Having successfully tendered and secured in excess of RM2.5 billion worth of new building construction jobs in 2018, we have managed to maintain the Group’s outstanding order book above RM6 billion, which augurs well for the Group’s revenue and earnings over the next 3 years. Moving forward, we will continue to focus on project execution to ensure that our projects deliver a sustainable level of revenue and profit contribution.”

For the financial year ended 31 December 2018, the revenue of the Engineering and Construction segment grew by 25% to RM1,882 million (FY2017: RM1,502 million) resulting from higher billings from the local infrastructure projects undertaken by the Group. The division registered an operating profit of RM141 million (FY2017: RM44 million), which is higher as compared to the financial year ended 31 December 2017 which saw an impairment of amount due from a contract customer in Qatar amounting to RM165 million.

Meanwhile, the Group’s Property Development Division recorded an operating profit of RM41 million (FY2017: RM87 million) on the back of a revenue of RM255 million (FY2017: RM426 million). The lower revenue and operating profit were mainly attributed to lesser contribution from property sales,

higher finance costs and additional provisions for impairment of unsold property stocks and undeveloped lands.

The Property Investment and Management Division recorded a significant improvement in revenue at RM196 million for the financial year ending 31 December 2018 (FY2017: RM77 million) mainly due to the additional revenue recognition from Paradigm Mall Johor Bahru. The operating profit from this segment of RM142 million in 2018 was mainly contributed by improved occupancy level of all the retail malls under management and recognition of fair value gain on investment properties amounting to RM175 million. The preceding year's operating profit was higher at RM271 million as the Group had then recognised a higher fair value gain on investment properties amounting to RM225 million in 2017.

(Note: The revenue and profits for the Group for the financial period/year ended 31 December 2017 have been restated for purpose of comparative information, in compliance with MFRS15: Revenue from Contracts with Customers, which has been adopted by the Group with effect from the financial year ended 31 December 2018.)

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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. Currently, WCT owns Première Hotel in Klang, New World Hotel in Petaling Jaya and five shopping malls: Bukit Tinggi Shopping Centre in Klang, the airport malls – gateway@klia2 and Subang Skypark in Selangor, Paradigm Mall in Petaling Jaya and Paradigm Mall in Johor Bahru. WCT currently has a land bank of approximately 853 acres in Malaysia. For more information about WCT, please visit www.wct.com.my.