



NEWS RELEASE

WCT Optimistic on Economic Recovery with Vaccine Rollout

PETALING JAYA, Wednesday 17 March 2021 - WCT Holdings Berhad (“the Group”), an investment holding company with businesses in engineering and construction, property development and investment in and management of retail malls and hotels, recorded a higher revenue of RM547 million for its fourth quarter ended 31 December 2020 as compared to RM503 million in the preceding year’s corresponding quarter. Its loss for the period was RM204 million as compared to RM106 million registered in the preceding year’s corresponding quarter.

Resulting from the severe impact of the Covid-19 pandemic and the disruptions to the Group’s business operations during the Movement Control Order (“MCO”) implemented by the Government to curb the spread of Covid-19, the value of the Group’s investment properties, hotels, lands held for development and completed inventories were impaired by approximately RM175 million during the period. Excluding the impairment of assets, the Group’s loss for the period would have been lower at RM29 million, an improvement of 48% from a loss of RM56 million in the preceding year’s corresponding quarter.

For the financial year ended 31 December 2020, the Group recorded a lower revenue of RM1,709 million as compared to RM1,836 million in the preceding year attributed mainly to business disruptions resulting from the pandemic. The Group recorded a profit from operations of RM86 million for the year, contributed mainly by its Engineering and Construction Division as well as its Property Development Division.

The Group’s Engineering and Construction Division remains the main contributor, accounting for RM1,257 million or 74% of the Group’s consolidated revenue (FY2019: RM1,286 million). Its operating profit increased to RM42 million from an operating loss of RM18 million in the preceding year.

The Group’s Property Development Division registered lower operating profit of RM48 million (FY2019: RM95 million) on the back of lower revenue of RM279 million (FY2019: RM347 million), while the Property Investment and Management Division recorded a revenue and operating loss of RM173 million and RM4 million respectively as compared to the preceding year’s revenue and operating profit of RM203 million and RM116 million respectively.

For the financial year ended 31 December 2020, the Group recorded a loss for the period of RM157 million as compared to a loss of RM34 million in the preceding year. Excluding the impairment of assets, the Group would have recorded a net profit of RM18 million for the year, 13% higher than RM16 million in the preceding year.

Dato' Lee Tuck Fook, Group Managing Director, said, "Despite the uncertainties caused by the Covid-19 pandemic and reduced work activities due to our strict adherence of Covid-19 Standard Operating Procedures at all project sites, the Group's Engineering and Construction Division had leveraged on its strong order book and strategically focused on areas such as efficient procurement, supply chain and contract claims management, timely work execution and high workplace safety compliance to drive business performance. In 2021, we will continue to focus on project execution, whilst pursuing new opportunities for engineering and construction jobs to replenish our outstanding order book of some RM5.0 billion."

Dato Lee added, "The limited movement and temporary closure of businesses during the MCO period had resulted in a drop in demand for the Group's products and services. The Group expects the rollout of vaccines to lift market sentiments and to stimulate the demand for our property development offers and launches in 2021. The expected easing of travel restrictions coupled with renewed consumer confidence and pent-up consumer demand are anticipated to revitalise the five retail malls under the Group's management, in particular the airport malls as well as the hotels and business aviation services."

"The safety and well-being of our staff, customers and business associates as well as the general public and communities in which we operate will remain our priority. The Group's immediate focus will be on maintaining the company's resilience during these trying times and its recovery from the significant adverse impacts of the pandemic", he added.

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 840 acres in Malaysia. For more information about WCT, please visit www.wct.com.my.