

# WCT HOLDINGS BERHAD

## INVESTOR BRIEFING

Building Values





# Contents

- The Company
- Financial Results – 2<sup>nd</sup> Quarter 2014
- Financial Results – FYE 31 Dec 2013
- Engineering & Construction
- Property Development
- Investment & Management
- Growth Strategy 2014 - 2016

# ■ About WCT

- A public-listed Malaysian engineering construction and real-estate developer company with global presence in 6 countries
- Successfully completed and delivered more than 300 construction projects comprising F1 circuits, international airports, expressways and highways, high-rise buildings, commercial, retail and residential properties, hydroelectric and water dam, worth in excess of RM20 billion.
- A reputable developer of three sustainable integrated townships known as Bandar Bukit Tinggi with a gross development value (GDV) of RM9.2 billion
- Ownership of the 1.0 million sq ft of Gross Lettable Area ("GLA") Bukit Tinggi Shopping Centre and ownership and management of the 250-room Première Hotel in Klang, 680 thousand sq ft NLA Paradigm Mall in Petaling Jaya, and 360 thousand sq ft NLA KLIA2 - Gateway Mall.

# Milestones

- 1981 Founded as WCT Earthworks & Building Contractors Sdn Bhd
- 1995 Listed on the Second Board of Bursa Securities as WCT Engineering Berhad.
- 1998 Successfully completed the building of Sepang F1 Circuit, Malaysia
- 1999 Listing status was transferred to the Main Board of Bursa Securities
- 2004 Successfully completed first overseas project - the construction of the Tada-Nellore Highway in India which is BOT Concession Project
- 2005 Successfully completed the construction of the Bahrain International F1 Circuit, Bahrain
- 2007 Secured F1 Circuit contract in Abu Dhabi. The racing circuit was successfully completed in 2009
- 2011 Achieved accumulated property sales of RM3.5 billion
- 2012 Started operation and management of its own mall, Paradigm Mall
- 2013 WCT embarks on new growth with New Holding Company
- 2014 Successful opening of gateway@klia2

# Our Core Businesses



**Engineering &  
Construction**



**Property  
Development**



**Investment &  
Management**  
Concession & Commercial Property



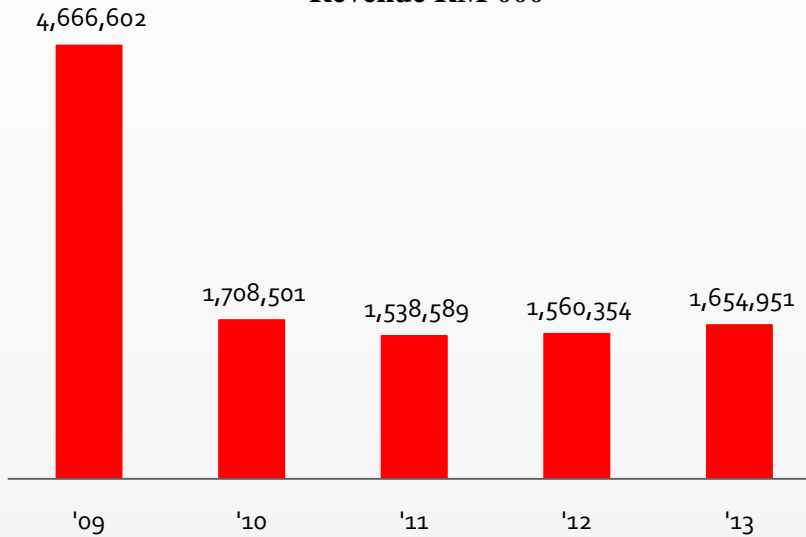
**Planning + Design + Procurement + Development + Construction + Value  
Engineering + Marketing + Management & Operation**



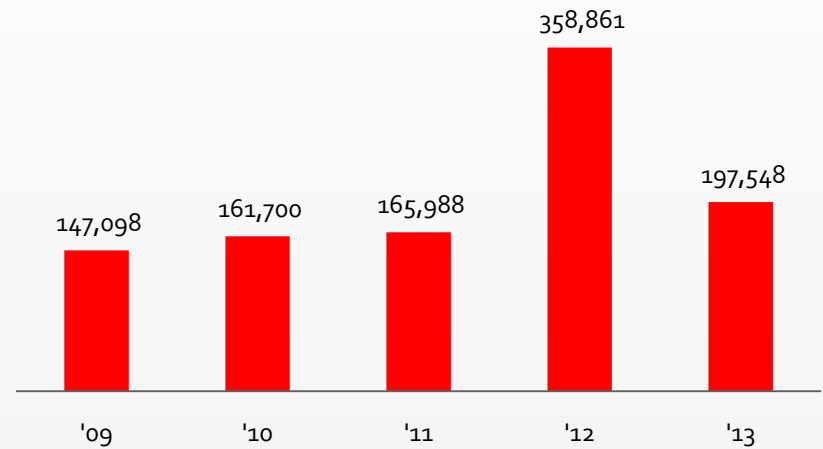
**An Integrated, Sustainable & Value-Building Company**

# Financial Highlights

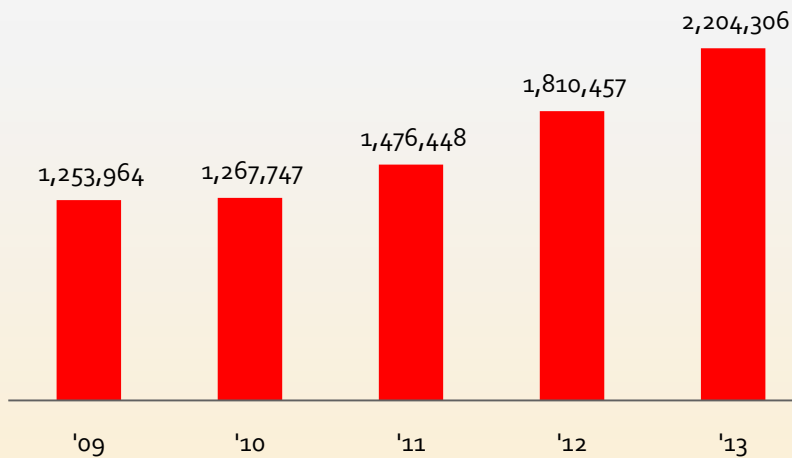
**Revenue RM'000**



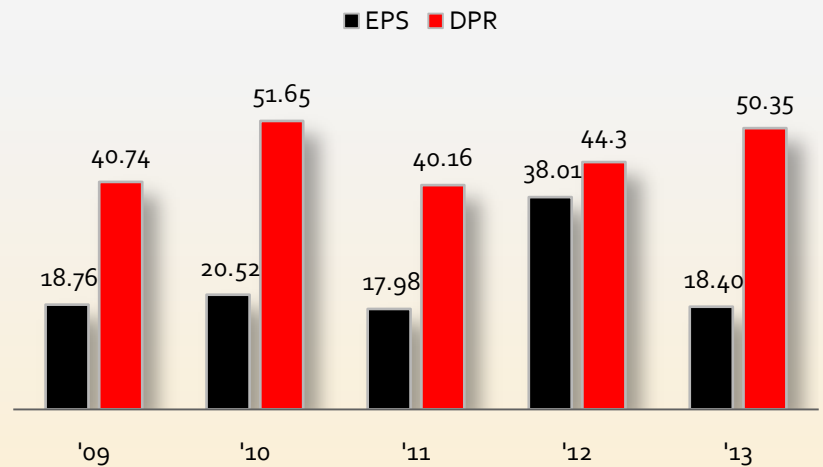
**Profit attributable to equity holders of the company RM'000**



**Shareholders' fund RM'000**




**EPS (sen) & Div Payout Ratio (%)**



# Shareholder Structure 15 August 2014

Number of Shares	1,092 million at RM0.50 Par Value
<b>Substantial Shareholders</b>	<b>Shareholdings</b>
<b>WCT Capital Sdn. Bhd.</b>	19.2%
<b>Employee Provident Fund Board (EPF)</b>	10.6%
<b>Lembaga Tabung Haji</b>	9.8%
<b>AmanahRaya Trustees Berhad - Skim Amanah Saham Bumiputera</b>	7.1%
<b>Kumpulan Wang Persaraan ( Diperbandankan)</b>	6.6%
<b>Directors' Direct Shareholdings</b>	1.6%
<b>Foreign Shareholdings</b>	9.9%



# **FINANCIAL RESULTS**

## **PERIOD ENDED / FINANCIAL YEAR**

### **Q2 2014 / 2Q 2014 / 31.12.2013**



# Results Q2 2014 Vs Q2 2013 (3 months)

	Q2'14	Q2'13	% q-q chg
Revenue (RM'million)	401.4	482.5	(17%)
Gross Profit (RM'million)	76.0	67.9	12%
Pretax Profit (RM'million)	45.5	63.6	(28%)
Net Profit (RM'million)	34.3	56.7	(40%)
EPS (sen)	3.14	5.19	(39%)
Fully Diluted EPS (sen)	3.12	5.04	(38%)

## Remark:

- The decrease in Revenue is mainly due to lower construction billing of about RM58m.
- The decrease in Net Profit is mainly due to Forex loss of RM1 mil in current quarter, as compare with gain of RM11 mil in corresponding quarter.

# Segmental Results Q2 2014 (3 months)

Revenue	EC	Property Dev	Property Ivt	Unallocated	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	260,266	124,473	16,734	-	-	401,473
Inter-segment revenue	92,871	3,122	-	-	(95,993)	-
Total revenue	353,137	127,595	16,734	-	(95,993)	401,473
Profit from operations	26,614	23,473	6,095	-	-	56,182
Margins	10%	19%	36%	-	-	14%
Finance costs	-	-	-	-	-	(14,803)
Share of profit of associates	-	-	-	2,191	-	2,191
Share of results in JV	-	(151)	2,053	-	-	1,902
Taxation	-	-	-	-	-	(6,421)
Profit after taxation						39,051
Non-controlling interest						(4,753)
<b>Net profit</b>						<b>34,298</b>

# Cumulative Results

## 2Q 2014 Vs 2Q 2013 (6 months)

	2Q14	2Q13	% q-q chg
Revenue (RM'million)	868.7	973.5	(11%)
Gross Profit (RM'million)	158.7	159.3	0%
Pretax Profit (RM'million)	102.2	128.9	(21%)
Net Profit (RM'million)	74.4	99.9	(26%)
EPS (sen)	6.82	9.47	(28%)
Fully Diluted EPS (sen)	6.77	9.09	(26%)
Net Asset Per Share (RM)	2.05	1.95	5%
Net Gearing (times)	0.58	0.35	

### Remark:

- The decrease in Revenue is mainly due to lower construction billing of about RM79m.
- The decrease in Net Profit is mainly due to Forex loss of RM7 mil in current cumulative quarter, as compare with gain of RM17 mil in corresponding cumulative quarter.

# Segmental Results 2Q 2014 (6 months)

Revenue	EC	Property Dev	Property lvt	Unallocated	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	587,303	250,915	30,476	-	-	868,694
Inter-segment revenue	149,154	4,050	-	-	(153,204)	-
Total revenue	736,457	254,965	30,476	-	(153,204)	868,694
Profit from operations	63,322	47,228	12,860	-	-	123,410
Margins	11%	19%	42%	-	-	14%
Finance costs	-	-	-	-	-	(29,872)
Share of profit of associates	-	-	-	4,555	-	4,555
Share of results in JV	-	(129)	4,261	-	-	4,132
Taxation	-	-	-	-	-	(22,626)
Profit after taxation						79,599
Non-controlling interest						(5,204)
Net profit						74,395

# Results FYE 31 DEC 2013 (Audited)

	12M 2013	12M 2012	% y-y chg
Revenue (RM'million)	1,655.0	1,560.4	6%
Gross Profit (RM'million)	280.0	323.0	(13%)
Pretax Profit (RM'million)	254.2	414.9	(39%)
Net Profit (RM'million)	197.5	358.9	(45%)
Operation profit (RM'million)	153.8	148.0	4%
Fair value gain (RM'million)	43.7	210.9	(79%)
EPS (sen)	18.40	38.01	(52%)
Fully Diluted EPS (sen)	17.65	36.34	(51%)
Net Asset Per Share (RM)	2.02	1.90	6%
Net Gearing (times)	0.39	0.40	

# Segmental FYE 31 DEC 2013 (Audited)

Revenue	EC	Property Dev	Property Ivt	Unallocated	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	1,168,388	425,070	61,493	-	-	1,654,951
Inter-segment revenue	924,663	10,741	-	-	(935,404)	-
Total revenue	2,093,051	435,811	61,493	-	(935,404)	1,654,951
Profit from operations	129,306	93,623	79,744	-	-	302,673
Margins	11%	21%	130%	-	-	18%
Finance costs	-	-	-	-	-	(67,631)
Share of profit of associates	-	-	-	12,124	-	12,124
Share of results in JV	-	(2,954)	10,031	-	-	7,077
Taxation	-	-	-	-	-	(64,492)
Profit after taxation						189,751
Non-controlling interest						7,797
Net profit						197,548



# ENGINEERING & CONSTRUCTION

# Outstanding Order Book 30.06.2014

Gulf States		Malaysia - Engineering & Infrastructure		Malaysia – Building		Total
<u>RM(mil)</u>		<u>RM(mil)</u>		<u>RM(mil)</u>		<u>RM(mil)</u>
Government Administrative Office, Qatar	354	PLUS Widening	290	KK Medical Centre	147	
New Doha Int'l Airport, Qatar	2	Tun Razak Exchange	152	Putrajaya Commercial Office	291	
		RAPID - common construction access & permanent road (awarded 18/7/2014)	342	Ministry of Int'l Trade (MITI)	215	
		Others	4	Jusco Melaka - AEON	30	
				UITM	36	
				Others	13	
<b>Total External</b>	<b>356</b>		<b>788</b>		<b>732</b>	<b>1,876</b>
	<b>19%</b>		<b>42%</b>		<b>39%</b>	<b>100%</b>
<b>Total Internal</b>				Property investment		<b>1,153</b>
				-Kelana Jaya	149	
				-Johor Bahru	651	
				Property development		
				-Kelana Jaya	77	
				-1Medini High-rise	276	
<b>TOTAL</b>					<b>1,885</b>	<b>3,029</b>



# Major Potential Projects 30.06.2014

DESCRIPTION		APPROXIMATE PROJECT VALUE RM(Million)
<u>TENDERS SUBMITTED:</u>		
LOCAL PROJECTS		3,101
OVERSEAS PROJECTS		1,500
	<b>TOTAL</b>	<b>4,601</b>
<u>TENDERS UNDER PREPARATION:</u>		
LOCAL PROJECTS		220
OVERSEAS PROJECTS		1,300
	<b>TOTAL</b>	<b>1,520</b>

# Engineering & Construction

- 2014 YTD of RM342 million new contracts
  - Construction and Completion of the common construction access and permanent roads within the RAPID site (Package 20c1) .

# Construction Contracts Targets 2014

- **Malaysia**

- West Coast Expressway
- Kwasa Damansara Land Civil Works
- Petronas RAPID Pengerang Civil Works
- Tun Razak Exchange (TRX)
- Mass Rapid Transit 2
- Warisan Merdeka
- KK Water Supply Scheme
- KL – JB High Speed Rail
- Southern Double Track
- Hydro Electric Dam in Sarawak
- Hydro Electric Dam in Sabah

# Construction Contracts Targets 2014

- **Gulf States**

- Qatar Roads and Expressways
- Qatar Earthworks and Infrastructure works
- Government Office Buildings in Qatar



# PROPERTY DEVELOPMENT

# Property Projects 30.06.2014

Project	Location	Development Type	Land Area (Acre)	Land Developed (Acre)	Status	GDV (RM'mil)	(RM'mil)	
							Sales to Date	Billings to Date
<b>Bandar Bukit Tinggi 1</b>	Klang, Selangor Malaysia	Integrated Township	347	330	Freehold	2,196	1,120	1,120
<b>Bandar Bukit Tinggi 2</b>	Klang, Selangor Malaysia	Integrated Township	562	527	Freehold	2,671	1,499	1,419
<b>Bandar Parklands</b>	Klang, Selangor Malaysia	Integrated Township	427	352	Freehold	4,382	1,196	1,143
<b>d'Banyan Residency</b>	Kota Kinabalu, Sabah Malaysia	Luxury Homes	22	22	Leasehold	269	258	253
<b>1Medini Residences</b>	Medini, Iskandar Malaysia	High-rise Residential	11	11	Leasehold	778	496	142
<b>Laman Greenville</b>	Klang South, Selangor, Malaysia	Luxury Homes	56	56	Freehold	530	86	8
<b>Skyz Jelutong</b>	Shah Alam, Selangor, Malaysia	High-rise Residential	2	2	Freehold	160	11	1
			<b>1,427</b>	<b>1,300</b>		<b>10,986</b>	<b>4,666</b>	<b>4,086</b>

# Property Development

- Property Sales inclusive of sales by options to date amounting RM245 million
- Total unrecognized sales as at 30 JUNE 2014: RM537 million
- Sales Target of 2014 – RM1.2 billion

# Property Development – Launches

- Target New Launches for 2014 include:-

Property Development	GDV (RM'mil)	Target Launch
BBT2 - Shop + Serviced apartment	394	Q3
Bandar Parklands, Klang South	143	Q4
Laman Greenville @ Klang South	530	May 2014 onward
Skyz Jelutong @ Bukit Jelutong, Shah Alam	160	April 2014
Paradigm Residences, Kelana Jaya	483	Q3
A60, The Volt, Medini North, Iskandar Malaysia	502	Q3 onward
Paradigm Johor Bahru, Serviced apartment, Johor	193	Q3
One Medini Garden Villa	20	May 2014
<b>TOTAL</b>	<b>2,425</b>	



# Land Bank – Not Launched 30.06.2014

Location	Land Bank (Acre)	Outstanding Land (Acre)	Projected Dev. Value (RM'Million)	Status
----------	------------------	-------------------------	-----------------------------------	--------

## Integrated Township

Bandar Bukit Tinggi, Klang, Malaysia	1,336	126	5,228	Freehold
Rawang, Selangor, Malaysia	468	468	1,200	Freehold

## Luxury Homes

Inanam, Kota Kinabalu, Sabah	22	22	200	Leasehold
------------------------------	----	----	-----	-----------

## Industrial

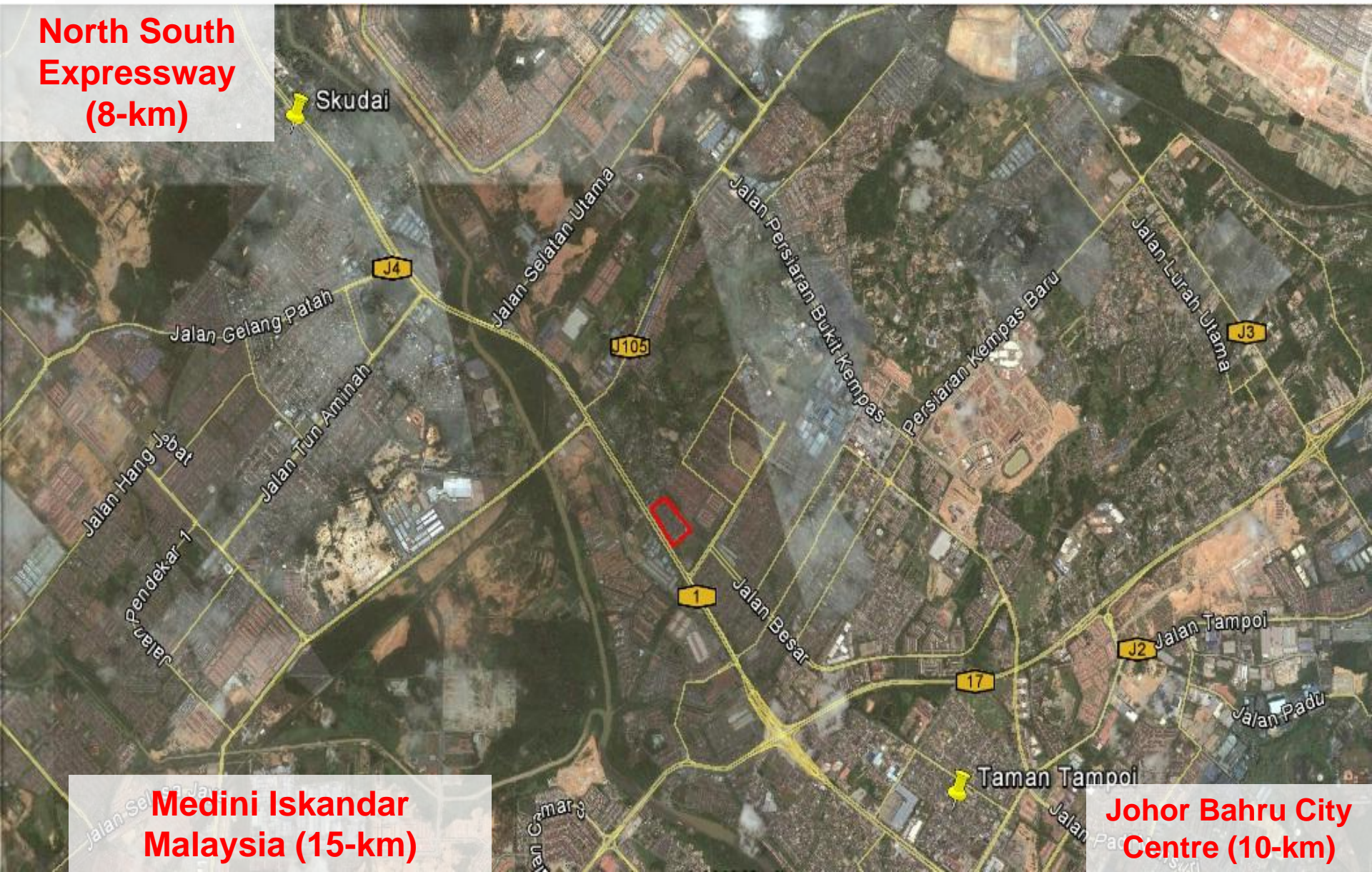
Bandar Serendah, Selangor, Malaysia	39	39	270	Leasehold
-------------------------------------	----	----	-----	-----------

# Land Bank – Not Launched 30.06.2014 (Contd')

Location	Land Bank (Acre)	Outstanding Land (Acre)	Projected Dev. Value (RM'Million)	Status
<b><u>Mix-Commercial</u></b>				
Paradigm Petaling Jaya, Selangor Malaysia	14	8	700	Leasehold
Medini Business District, Iskandar Malaysia	20.8	20.8	2,600	Leasehold
A60 - Medini North, Iskandar Malaysia	18	18	1,500	Leasehold
OUG, Kuala Lumpur, Malaysia	57	57	4,900	Freehold
Jalan Skudai, Johor Bahru, Malaysia	12	12	1,300	Freehold
<b>Total</b>	<b>1,986.8</b>	<b>770.8</b>	<b>17,898</b>	

# Johor Bahru Land - Location

**North South  
Expressway  
(8-km)**



**Medini Iskandar  
Malaysia (15-km)**

**Johor Bahru City  
Centre (10-km)**



# Johor Bahru Land Dev – Perspective



# Property Development - Direction

- Healthy balance sheet enables WCT to compete and acquire more quality lands
- Continue to pursue for more lands in Klang Valley, Iskandar Malaysia, Penang and Kota Kinabalu
- Leverage on our expertise and track record in the development of BBT Klang Townships, d'Banyan Luxury Homes and 1Medini for future developments
- Integrated Development & Construction track record enabling opportunity to participate actively in ETP and Government land programs
- Continue to pursue re-development of abandoned projects



# INVESTMENT & MANAGEMENT

## CONCESSION & COMMERCIAL PROPERTY

# Concessions 30.06.2014

Concession	Type	Concession Period	Form of Receipt	Equity Stake	Target Date Of Completion
<b>Panagarh-Palsit Expressway, West Bengal India</b>	64-km Expressway	2002 – 2019	Semi-Annuity Payments by Gov't of India	30%	Completed since 2004
<b>Durgapur Expressway, West Bengal, India</b>	64-km Expressway	2002 - 2020	Semi-Annuity Payments by Gov't of India	30%	Completed since 2004
<b>KLIA2 Integrated Complex, Sepang, Malaysia</b>	<ol style="list-style-type: none"> <li>1. Transportation Hub for bus, taxi and train</li> <li>2. 360,000 sqf NLA Shopping Mall</li> <li>3. 5,690 Airport Car Park</li> </ol>	2011 - 2046	Retail Space Rentals, Car Park Income and Advertisement Space Rental	70%	Commenced business on 2 May 2014

# Commercial Property - Hotel 30.06.2014

Investment Property	Property type	Target Date Of Completion	No. of Rooms
<b>Première Hotel, Klang, Selangor, Malaysia</b>	Business Hotel (4-star) & 1,200 Car Parks	Completed since September 2010	250 rooms
<b>Première Hotel, Kelana Jaya, PJ, Malaysia</b>	Business Hotel (4-star) & Banquet Hall for 1,500 pax	2016	304 rooms
<b>Première Hotel, Johor Bahru, Iskandar Malaysia</b>	Business Hotel (4-star) & Banquet Hall for 1,000 pax	TBA	296 rooms
<b>Première Hotel, OUG, Kuala Lumpur, Malaysia</b>	Business Hotel (4-star) & Banquet Hall	TBA	400 rooms



# || Inv't & Mgt – Hospitality



- **Première Hotel**
  - 61% Occupancy Rate
  - Average Room Rate at RM260 per day
  - 70% Room Sales are Corporate Clients within driving time of 30 minutes
  - Room to F&B Revenue – 60 : 40

# Commercial Property - Shopping Mall 30.06.2014

Investment Property	Property type	Target Date Of Completion	Retail Letable Area
<b>BBT Shopping Mall,</b> Klang, Selangor Malaysia	Retail Space & 5,000 Car Parks	Completed since January 2008	1,000,950 sq ft GLA
<b>Paradigm Mall,</b> Kelana Jaya, PJ, Malaysia	Retail Space & 4,300 Car Parks	Completed on 23 May 2012	680,000sq ft NLA
<b>Gateway Mall,</b> KLIA2, Malaysia	Retail Space & 5,690 Car Parks	Open on 2 May 2014	360,000sq ft NLA
<b>Paradigm Mall,</b> Johor Bahru, Iskandar Malaysia	Retail Space & 4,900 Car Parks	2016	1,200,000 sq ft NLA
<b>Paradigm Mall,</b> OUG, Kuala Lumpur, Malaysia	Retail Space & Car Parks	TBA	1,500,000 sq ft NLA

# || Inv't & Mgt – Shopping Mall

- **Paradigm Mall**

- 98% retail space leased
- 310 of 317 retail lots are tenanted
- Enjoys strong Average Footfalls of:-
  - Weekday – 36,000 per day
  - Weekend – 64,000 per day
- For Tenant Directory, [www.paradigmmall.com.my](http://www.paradigmmall.com.my)
- Facebook.com/ParadigmMall



# || Inv't & Mgt – Shopping Mall



- Gateway@klia2

- 80% of tenant space leased
- Current footfalls of 97,000 per day

# ||| Inv't & Mgt – Shopping Mall

- Addition of **2.7 million** sqf LA Shopping Malls in 2016 and 2018
- Potential Shopping Malls Ownership – **4.74 million** sqf LA
- Potential Shopping Malls Under Self-Management - **3.74 million** sqf LA
- Development of new retail mall within existing commercial development

# || Inv't & Mgt – Hospitality

- **Première Hotel @ Klang** (250 rooms)
- **Première Hotel @ Paradigm PJ** to have 304 rooms, F&B outlets, expecting banquet facility for 1,500 pax
- Potential hotel rooms – **1,250 rooms**
- Future development of new hotel within existing commercial development
- Focus in 4-star business hotel complementing existing mix-commercial development



# **GROWTH STRATEGY**

## **2014 - 2016**

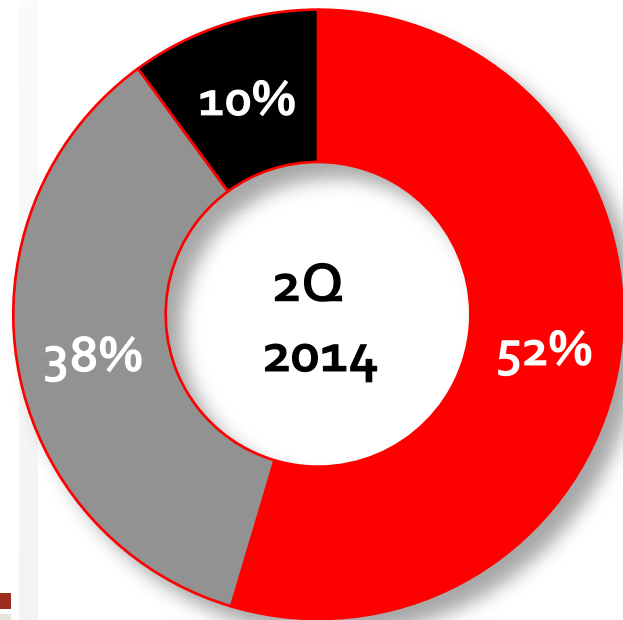
# || Growth Strategy - Broadening Earning Base

Forward Transformation in 3 Core Businesses:-

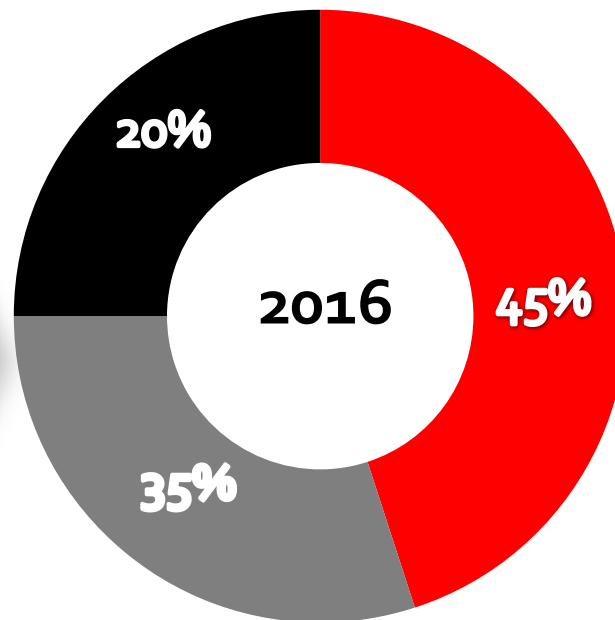
1. Leverage on WCT's 33 years Engineering & Construction track record in Malaysia and overseas
2. Expand Quality Land Bank aimed at creating a balanced Property Development profile to also include High-rise Residential, Luxury Home, Contemporary Office and Industrial
3. Growth in Ownership and Management of Commercial Properties to generate sustainable income and maximise capital appreciation of investments
4. Increase BOT Concession/ Public-Private Partnership Portfolio related to public infrastructure
5. Develop New Market Presence – Long Term opportunities in ASEAN.



# || Broadening Earning Base



Operating Profits



■ Engineering & Construction

■ Property Development

■ Property Investment

# Related Links

Walkthrough video of Medini Signature:

[http://youtu.be/U\\_AM3kOE8Zc](http://youtu.be/U_AM3kOE8Zc)

Walkthrough video of Gateway KLIA2:

[https://www.dropbox.com/s/igwqlsznp6r69ji/VTS\\_01\\_1.VOB](https://www.dropbox.com/s/igwqlsznp6r69ji/VTS_01_1.VOB)

Website of Paradigm Mall:

[www.paradigmmall.com.my](http://www.paradigmmall.com.my)

Website of Première Hotel:

[www.premiere-hotels.com](http://www.premiere-hotels.com)



# THANK YOU

W - [www.wct.com.my/ir](http://www.wct.com.my/ir)

F - [Facebook.com/WCTBerhad](https://www.facebook.com/WCTBerhad)

T – [Twitter.com/WCT\\_Berhad](https://twitter.com/WCT_Berhad)

