

# WCT Holdings Berhad

## INVESTOR BRIEFING - 2nd Quarter 2017

25 Aug 2017



# Disclaimer

These materials have been prepared by WCT Holdings Berhad ("WCT" or the "Company") solely for use at this presentation, for information purposes only, and have not been independently verified. No representations or warranties, express or implied, are made as to, and no reliance should be placed on, the accuracy, fairness, completeness or correctness of the information, opinions, estimates, forecasts or projections presented or contained in these materials. Neither the Company nor any of their respective directors, officers, employees, advisers or representatives, shall have any liability whatsoever, as a result of negligence or otherwise, for any loss howsoever arising from any information or opinions presented or contained in these materials. The information presented or contained in these materials is subject to change without notice, and shall only be considered current as of the date hereof, unless otherwise stated.

These materials contain statements that reflect the Company's beliefs or expectations about the future or future events as of the respective dates indicated therein ("forward- looking statements"). These forward looking statements are based on a number of assumptions about the Company's operations, its future development plans, market (financial and otherwise) conditions, growth prospects and property projects, and are subject to significant risks, uncertainties and other factors beyond the Company's control, and accordingly, actual results may differ materially from these forward-looking statements. The Company expressly disclaims any obligation to update these forward-looking statements for events/or circumstances that occur subsequent to such dates.

These materials do not constitute or form part of and should not be construed as, an offer or invitation to acquire, purchase or subscribe for any securities nor are they meant to invite any such offer or invitation. No part of these materials shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.

These materials are highly confidential and the information contained herein may not be copied, reproduced, redistributed, or otherwise disclosed, directly or indirectly, in whole or in part to any other person at any time (whether within or outside your organization / firm) in any manner for any purpose. By attending this presentation, you are agreeing to maintain absolute confidentiality regarding this presentation and the information disclosed in these materials.

Some of the pictures, photos and images including design drawings in relation to the Company's projects contained in this presentation are artist impression only and are subject to variations, modifications and substitutions as may be decided by the Company at its discretion.

# Contents

---



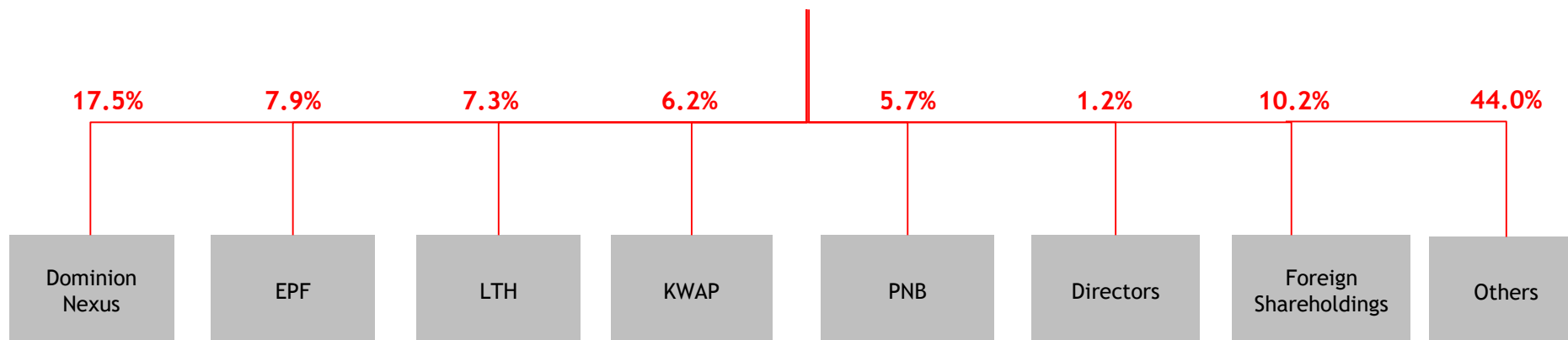
## Section

|                               |    |
|-------------------------------|----|
| 1. Shareholding & Share Price | 3  |
| 2. Financials                 | 5  |
| 3. Engineering & Construction | 11 |
| 4. Property Development       | 19 |
| 5. Property Investment        | 29 |



# Shareholding & Share Price

# Key Shareholdings as at 31 July 2017 and Market Statistics



## Key Market Statistics

|                          |                          |
|--------------------------|--------------------------|
| Last Closing Price       | RM1.82 (21 Aug 2017)     |
| 12-Month High            | RM2.48 (8 May 2017)      |
| 12-Month Low             | RM1.53 (1 Sept 2016)     |
| Total Shares Outstanding | 1.41 bil shares          |
| Current Market Cap       | RM2.57 bil (21 Aug 2017) |

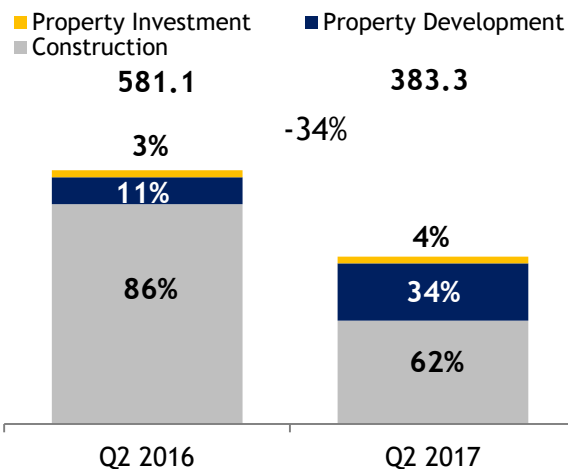
Source: Bursa Malaysia's website 29 May 2017



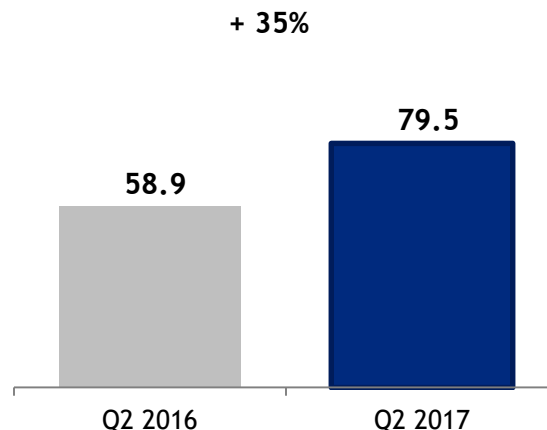
# Financials

# Financial Highlights Q2 17 vis-à-vis Q2 16 (3 months)

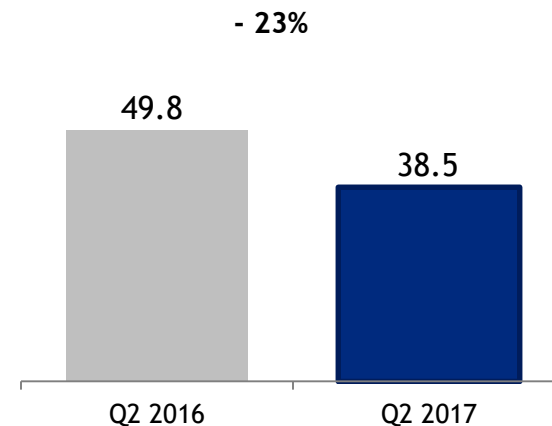
## Revenue (RM' mil)



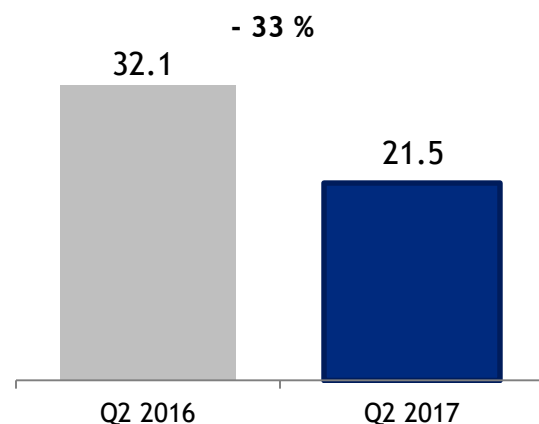
## Gross Profit (RM' mil)



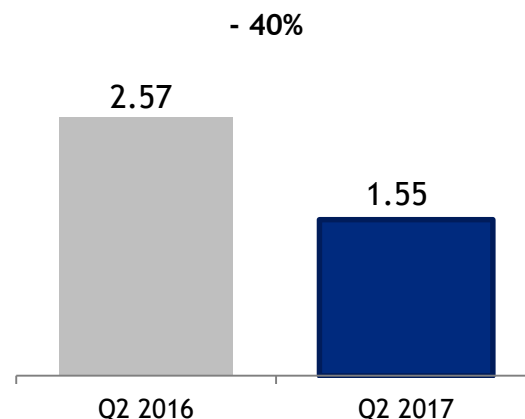
## Pretax Profit (RM' mil)



## Profit attributable to equity holders (RM' mil)



## EPS (sen)

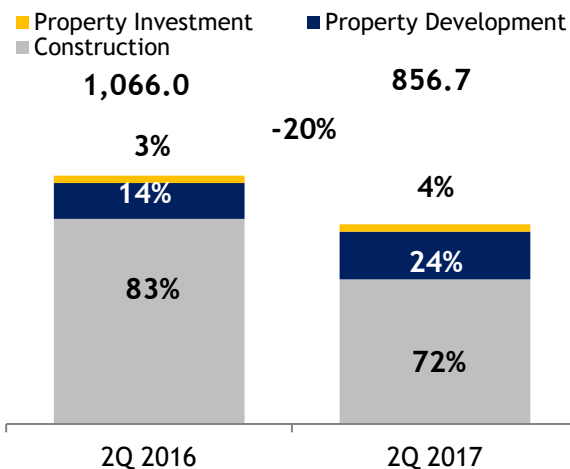


## Results Q2 2016 vs Q2 2017 (3 months)

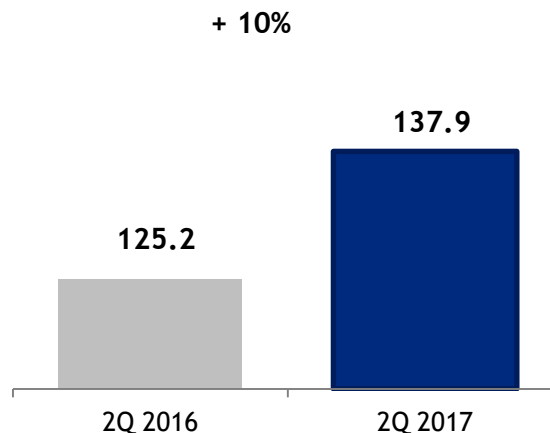
| RM' mil                               | Q2' 16 | Q2' 17 | % q-q chg |
|---------------------------------------|--------|--------|-----------|
| Revenue                               | 581.1  | 383.3  | -34%      |
| Gross Profit                          | 58.9   | 79.5   | 35%       |
| Pretax Profit                         | 49.8   | 38.5   | -23%      |
| Profit attributable to equity holders | 32.1   | 21.5   | -33%      |
| EPS (sen)                             | 2.57   | 1.55   | -40%      |

# Financial Highlights YTD 16 vis-à-vis YTD 17 (6 months)

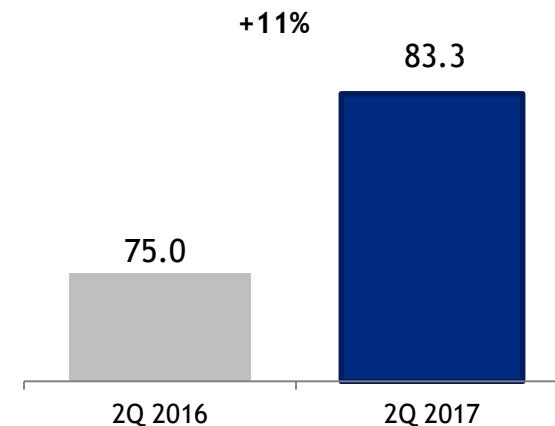
## Revenue (RM' mil)



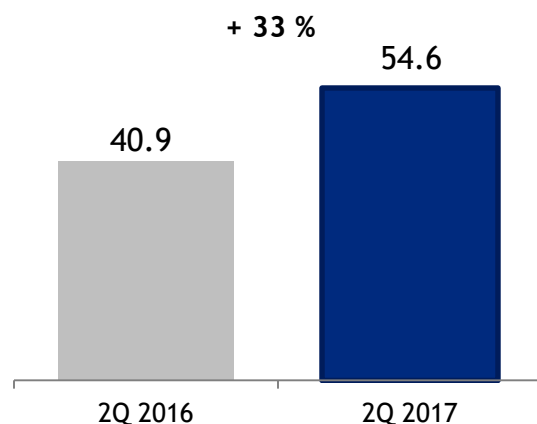
## Gross Profit (RM' mil)



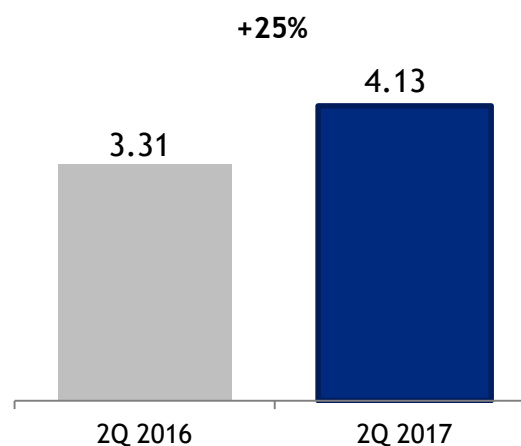
## Pretax Profit (RM' mil)



## Profit attributable to equity holders (RM' mil)



## EPS (sen)



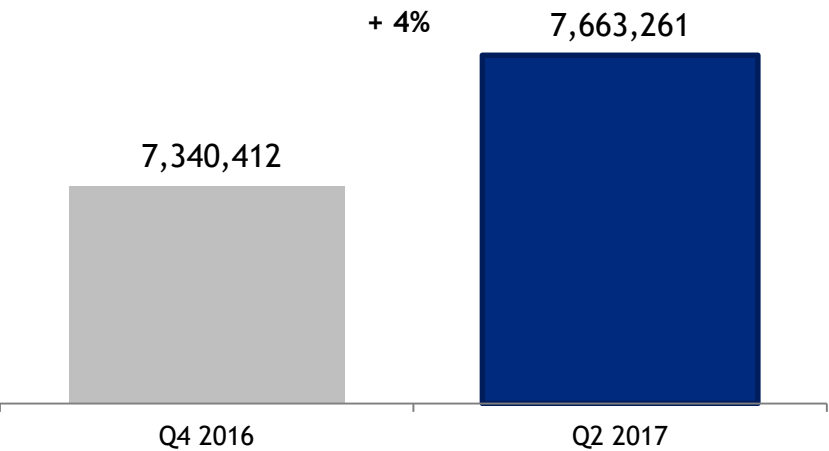
## Results 2Q 2016 vs 2Q 2017 (6 months)

| RM' mil                               | 2Q' 16  | 2Q' 17 | % p-p chg |
|---------------------------------------|---------|--------|-----------|
| Revenue                               | 1,066.0 | 856.7  | -20%      |
| Gross Profit                          | 125.2   | 137.9  | +10%      |
| Pretax Profit                         | 75.0    | 83.3   | +11%      |
| Profit attributable to equity holders | 40.9    | 54.6   | +33%      |
| EPS (sen)                             | 3.31    | 4.13   | +25%      |

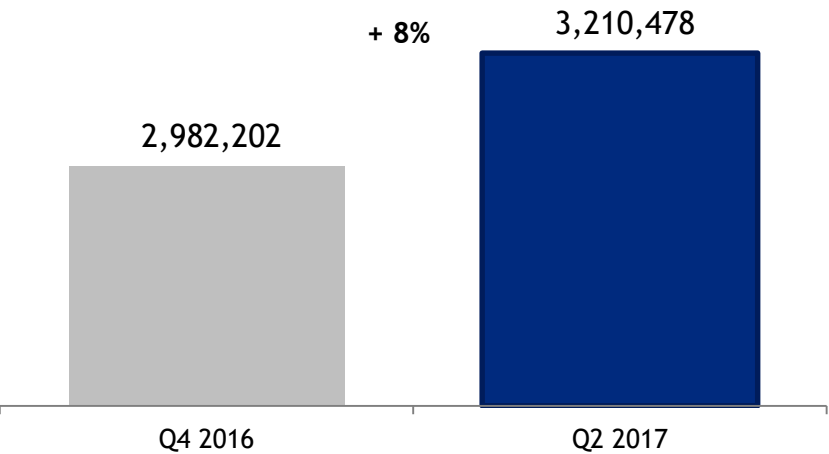


# Financial Highlights (Cont'd)

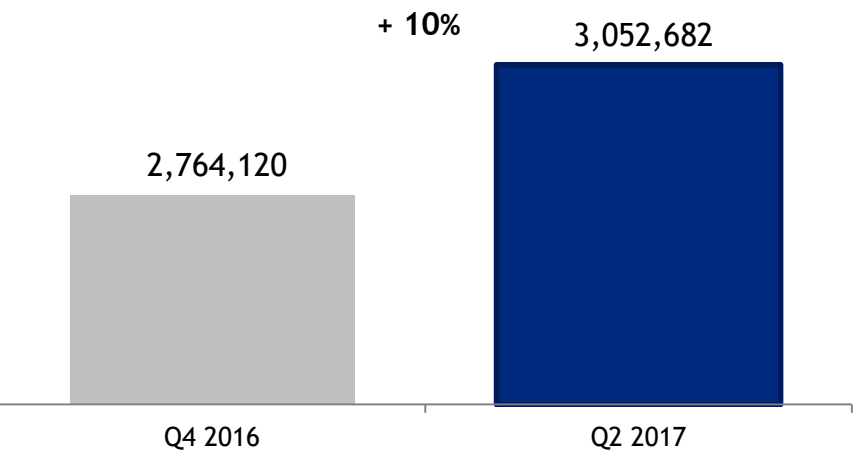
Total Assets (RM '000)



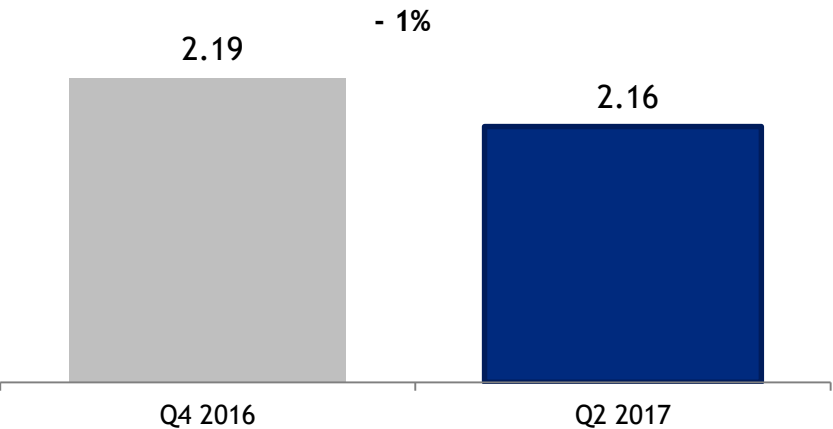
Total Debt (RM '000)



Shareholders' Fund (RM '000)



Net Asset per Share (RM)



## Segmental Results Q2 2017 (3 months)

| Revenue                         | E&C          | PD           | PI&M        | Elimination    | Consolidated |
|---------------------------------|--------------|--------------|-------------|----------------|--------------|
|                                 | RM'm         | RM'm         | RM'm        | RM'm           | RM'm         |
| Revenue from external customers | 236.8        | 130.9        | 15.6        | -              | 383.3        |
| Inter-segment revenue           | 140.5        | 2.7          | 1.3         | (144.5)        | -            |
| <b>Total Revenue</b>            | <b>377.3</b> | <b>133.6</b> | <b>16.9</b> | <b>(144.5)</b> | <b>383.3</b> |
|                                 |              |              |             |                |              |
| <b>Profit from operations</b>   | <b>22.4*</b> | <b>15.0</b>  | <b>8.8</b>  | <b>-</b>       | <b>46.2</b>  |
| Finance Costs                   | -            | -            | -           | -              | (13.5)       |
| Share of profit of associates   | -            | -            | -           | -              | 0.8          |
| Share of results in JV          | -            | (0.6)        | 5.6         | -              | 5.0          |
| Taxation                        | -            | -            | -           | -              | (17.0)       |
| <b>Profit after taxation</b>    |              |              |             |                | <b>21.5</b>  |
| Non-controlling interest        |              |              |             |                | (0)          |
| <b>Net profit</b>               |              |              |             |                | <b>21.5*</b> |

\* Excluding unrealised foreign exchange losses of RM 16.2 m, the operating profit of E&C and net profit of the Group would have been higher at RM38.6 m and RM37.7 m respectively.

## Segmental Results YTD 2017 (6 months)

| Revenue                         | E&C            | PD           | PI&M        | Elimination    | Consolidated |
|---------------------------------|----------------|--------------|-------------|----------------|--------------|
|                                 | RM'm           | RM'm         | RM'm        | RM'm           | RM'm         |
| Revenue from external customers | 620.1          | 205.7        | 30.9        | -              | 856.7        |
| Inter-segment revenue           | 447.2          | 3.8          | 1.3         | (452.3)        | -            |
| <b>Total Revenue</b>            | <b>1,067.3</b> | <b>209.5</b> | <b>32.2</b> | <b>(452.3)</b> | <b>856.7</b> |
|                                 |                |              |             |                |              |
| <b>Profit from operations</b>   | <b>52.5*</b>   | <b>26.4</b>  | <b>16.7</b> | <b>-</b>       | <b>95.6</b>  |
| Finance Costs                   | -              | -            | -           | -              | (25.8)       |
| Share of profit of associates   | -              | -            | -           | -              | 2.4          |
| Share of results in JV          | -              | (1.2)        | 12.3        | -              | 11.1         |
| Taxation                        | -              | -            | -           | -              | (31.1)       |
| <b>Profit after taxation</b>    |                |              |             |                | <b>52.2</b>  |
| Non-controlling interest        |                |              |             |                | 2.4          |
| <b>Net profit</b>               |                |              |             |                | <b>54.6*</b> |

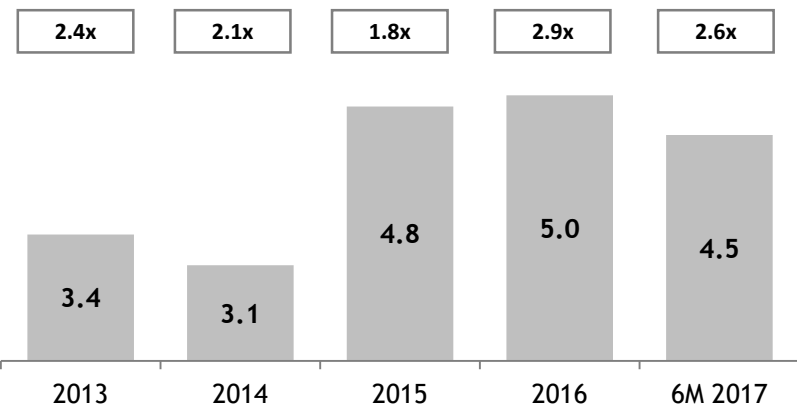
\* Excluding unrealised foreign exchange losses of RM 20.5 m, the operating profit of E&C and net profit of the Group would have been higher at RM73.0 m and RM75.1 m respectively.



# Engineering & Construction

# Outstanding Order Book

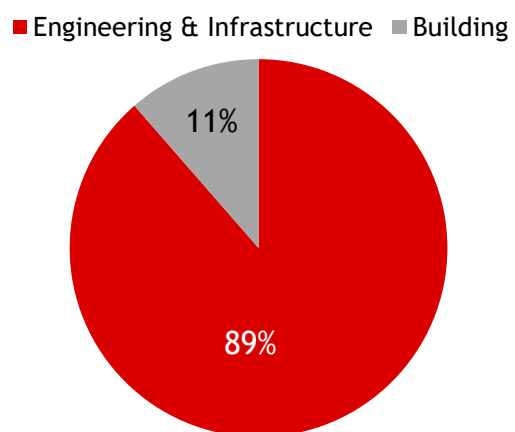
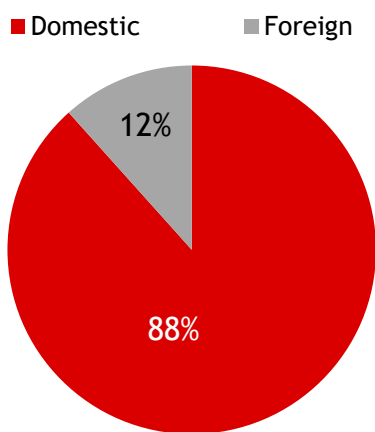
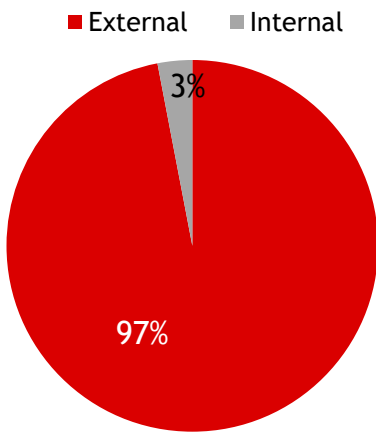
Outstanding Order Book (RM' bil) as a Multiple of Revenue



Order Book Replenishment Rate

| Year                  | Order Book replenishment (RM' mil) | Outstanding Order Book (RM' mil) | Replenishment Rate |
|-----------------------|------------------------------------|----------------------------------|--------------------|
| 2012                  | 1,900                              | 3,669                            | 61%                |
| 2013                  | 670                                | 3,409                            | 18%                |
| 2014                  | 994                                | 3,069                            | 29%                |
| 2015                  | 2,984                              | 4,838                            | 97%                |
| 2016                  | 1,977                              | 4,963                            | 41%                |
| 2017 (up to June' 17) | 206                                | 4,521                            | 4%                 |

Order Book Breakdown



# Outstanding Order Book as at 30 June 2017

|   | Outstanding<br>RM'mil |
|---|-----------------------|
| RAPID, Pengerang, Johor (roads, civil & infra works)                                      | 513                   |
| TRX, Kuala Lumpur (infra & roadway works)   | 656                   |
| Pan Borneo Highway (66km highway from Sungai Arip Bridge to Bintulu Airport Junction)     | 905                   |
| MRT2 (viaduct guideway, Bandar Malaysia South Portal to Kampung Muhibbah)                 | 880                   |
| West Coast Expressway (Shah Alam Expressway interchange to NKVE/FHRZ Interchange)         | 227                   |
| LRT3 (Johan Setia depot associated works)   | 184                   |
| Others  | 106                   |
| <b>Total - Local Civil &amp; Infrastructure</b>   | <b>3,471 (77%)</b>    |
| Police Quarters, Taman Keramat  | 111                   |
| Rapid - Utilities, Interconnecting and Off Site (U10), Facilities, Local Control Building | 250                   |
| Others  | 27                    |
| <b>Total - Local Buildings</b>  | <b>388 (9%)</b>       |
| Lusail project, Qatar   | 526                   |
| <b>Total - Overseas projects</b>  | <b>526 (11%)</b>      |
| <b>Total External Projects</b>  | <b>4,385</b>          |
| <b>Total Internal Projects</b>  | <b>136 (3%)</b>       |
| <b>Grand Total</b>  | <b>4,521 (100%)</b>   |



# On-going Construction Jobs



**RAPID Pengerang, Johor**



**Paradigm Mall Johor Bahru**



**Tun Razak Exchange, KL**



**Lusail Project, Qatar**



# On-going Construction Jobs



**Pan Borneo Highway, Sarawak**



**Lot 2C5, Precinct 2, Putrajaya**



**LRT3, Johan Setia depot**



**Mass Rapid Transit 2**



## List of Tenders submitted/ Pending Submission (as at August 2017)

|   | RM' mil            |
|---|--------------------|
| Local- Civil & Infrastructure   | >9,500             |
| <ul style="list-style-type: none"> <li>- LRT 3</li> <li>- Mass Rapid Transit 2</li> <li>- Bus Rapid Transit- KL to Klang</li> </ul>           |                    |
| Local - Building works  | > 2,500            |
| <ul style="list-style-type: none"> <li>- Office towers</li> <li>- High-rise residential towers</li> <li>- Retail malls &amp; hotel</li> </ul> |                    |
| <b>Total</b>  | <b>&gt; 12,000</b> |



# Property Development

**2017 2Q Revenue**

**RM206 million (Q1 17 : RM75 million)**

**2017 2Q PBT**

**RM17 million (Q1 17: RM5 million)**

**2017 Property Sales**

Q1 : RM49 million  
Q2 : RM83 million  
Q3 (to-date) : RM53 million  
Pending SPA : RM80 million  
Total : RM265 million

**Total unrecognized sales**

**RM261 million**

**Total unbilled sales**

**RM322 million**

**Unsold completed stock**

**RM644 million**

**Land Banking**

**No change in Q2 2017**

## Completed Stock Properties (as at 30 June 2017)

| No | Project            | Location  | Development Type  | Net GDV<br>(RM' mil) |
|----|--------------------|-----------|-------------------|----------------------|
| 1  | d'Laman Greenville | Klang     | Semi-D & Bungalow | 179                  |
| 2  | Renai Jelutong     | Shah Alam | Service Apartment | 107                  |
| 3  | Medini Signature   | Medini    | Condominium       | 245                  |
| 4  | Others             |           |                   | 113                  |
|    | <b>Total</b>       |           |                   | <b>644</b>           |

## On-going Property Projects (as at 30 June 2017)

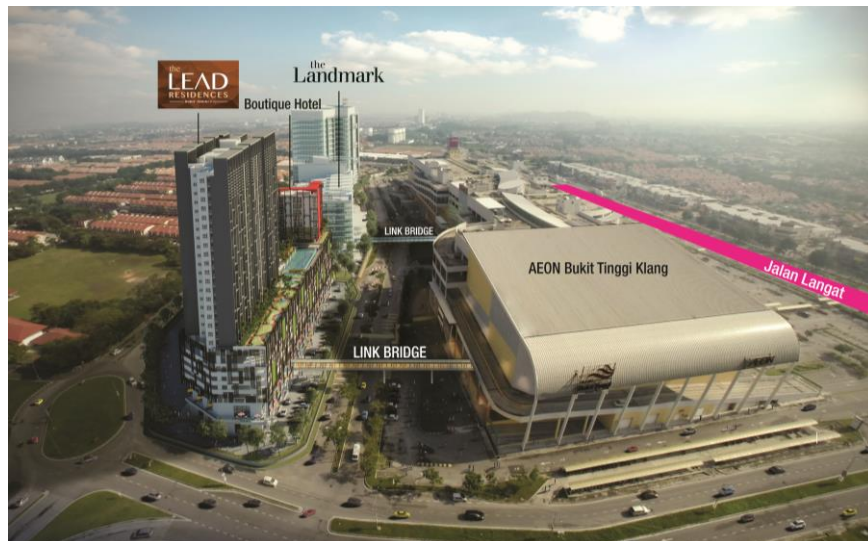
| No | Project                       | Location              | Development Type  | Land Area (Acre) | No. of Units | Net GDV (RM' mil) | Launch Date |
|----|-------------------------------|-----------------------|-------------------|------------------|--------------|-------------------|-------------|
| 1  | Waltz Residences              | OUG, KL               | Condominium       | 2.0              | 419          | 401               | 15-Jun-16   |
| 2  | The Lead Residences           | Bukit Tinggi 2, Klang | Service Apartment | 4.1              | 403          | 267               | 3-Dec-14    |
| 3  | The Azure Residences          | Kelana Jaya, PJ       | Service Apartment | 0.5              | 189          | 201               | 14-Aug-14   |
| 4  | Trifolis Apartments           | Bukit Tinggi 2, Klang | Rumah Selangorku  | 5.2              | 372          | 93                | 10-Dec-15   |
| 5  | Azaria Apartments (Phase A7)  | Bukit Tinggi 3, Klang | Rumah Selangorku  | 5.0              | 240          | 45                | 4-Jun-15    |
| 6  | Asteria Apartments (Phase A6) | Bukit Tinggi 3, Klang | Rumah Selangorku  | 5.5              | 321          | 60                | 15-Oct-15   |
|    | <b>Total</b>                  |                       |                   | <b>22.3</b>      | <b>1,944</b> | <b>1,067</b>      |             |

# On-going Property Projects



## Waltz Residences, OUG

|                   |                           |
|-------------------|---------------------------|
| Description       | 419 units of condominiums |
| Estimated Net GDV | RM401 million             |
| Launch date       | 15 June 2016              |
| Exp. completion   | June 2020                 |



## The Lead Residences, Bandar Bukit Tinggi 2

|                   |                                  |
|-------------------|----------------------------------|
| Description       | 403 units of serviced apartments |
| Estimated Net GDV | RM267 million                    |
| Launch date       | 3 December 2014                  |
| Exp. completion   | Mar 2018                         |



# On-going Property Projects



## Azure Residence, Kelana Jaya, PJ

|                   |                                  |
|-------------------|----------------------------------|
| Description       | 189 units of serviced apartments |
| Estimated Net GDV | RM201 million                    |
| Launch date       | 14 August 2014                   |
| Exp. completion   | Aug 2017                         |



## Trifolis Apartments

|                 |                                 |
|-----------------|---------------------------------|
| Description     | 372 Rumah Selangorku apartments |
| Estimated GDV   | RM93 million                    |
| Launch date     | 10 December 2015                |
| Exp. completion | April 2018                      |

# On-going Property Projects



## Azaria Apartments

|                 |                                 |
|-----------------|---------------------------------|
| Description     | 240 Rumah Selangorku apartments |
| Estimated GDV   | RM45 million                    |
| Launch date     | 4 June 2015                     |
| Exp. completion | October 2017                    |

## Asteria Apartments

|                 |                                 |
|-----------------|---------------------------------|
| Description     | 321 Rumah Selangorku apartments |
| Estimated GDV   | RM60 million                    |
| Launch date     | 15 October 2015                 |
| Exp. completion | November 2017                   |



# Future Projects



## Phase 2 @ Paradigm Garden City (OUG)

|                    |                                  |
|--------------------|----------------------------------|
| Description        | Proposed Condominium (940 units) |
| Estimated Net GDV  | RM1,045 million                  |
| Target Launch date | Q3 2018                          |



## Paradigm Johor Bahru

|                    |   |
|--------------------|---|
| Description        | Proposed Services Apartment (263 units) |
| Estimated Net GDV  | RM165 million                           |
| Target Launch date | Q4 2018                                 |

# Future Launches



Strictly Private & Confidential

## Tower D @ Paradigm PJ

|                    |  |
|--------------------|--|
| Description        | Proposed Serviced Apartment<br>(229 units) |
| Estimated Net GDV  | RM229 million                              |
| Target Launch date | Q3 2018                                    |



Page 25

## Land Bank (Future Launches as at 30 June 2017)

| No | Location                       | Development Type    | Land Area (Acres) | Potential GDV (RM' bil) |
|----|--------------------------------|---------------------|-------------------|-------------------------|
| 1  | Paradigm Garden City (OUG), KL | Mixed               | 60                | 10.18                   |
| 2  | Mont Kiara, KL                 | Residential         | 3                 | 0.60                    |
| 3  | Bukit Tinggi 1,2 & 3, Klang    | Mixed               | 127               | 7.65                    |
| 4  | Medini Iskandar, Johor         | Mixed               | 39                | 3.77                    |
| 5  | Sungai Buaya, Selangor         | Integrated Township | 608               | 2.71                    |
| 6  | Serendah, Selangor             | Industrial          | 89                | 0.26                    |
| 7  | Inanam, Kota Kinabalu          | Residential         | 22                | 0.26                    |
| 8  | TRX, Kuala Lumpur              | Residential         | 2                 | 1.10                    |
|    | <b>Total</b>                   |                     | <b>950</b>        | <b>26.53</b>            |













# Property Investment

# Retail Malls

## Operational Shopping Malls as at 30 June 2017

|  | Paradigm Mall, Petaling Jaya<br> | gateway@klia2, Sepang<br> | Bandar Bukit Tinggi, Klang<br> |
|--|---|---|---|
| Occupancy rate                                   | 91.2%   | 74.1%   | 100.0%  |
| Opening Year                                     | 2012  | 2014  | 2007  |
| Revenue (Q2 2017)                                | RM31 million  | RM61 million  | RM18 million  |
| Operating Profit before Interest & Tax (Q2 2017) | RM17 million  | RM33 million  | RM16 million  |
| WCT Ownership                                    | 70.0%   | 70.0%   | 100.0%  |
| Retail Lettable Area                             | 680,000 sq ft NLA   | 360,000 sq ft NLA   | 1,000,950 sq ft GLA   |
| No. of Car Parks                                 | 4,300   | 5,690   | 3,620   |
| Selected Tenants                                 |                                |                         |                              |

## Pipeline Shopping Mall

| Paradigm Mall, Johor Bahru<br> |
|---|
| 75.0%   |
| Nov 2017  |
| N/A   |
| NA  |
| 100%  |
| 1,300,000 sq ft   |
| 4,300   |
|                              |

## Operational as at 30 June 2017

## Pipeline Hotel

|  | Première Hotel,<br>Klang | The Ascent,<br>Office Kelana<br>Jaya | New World Hotel,<br>Kelana Jaya |
|--|--------------------------|--------------------------------------|---------------------------------|
| Occupancy rate   | 54%                      | 81%                                  | N/A                             |
| Opening Year   | 2010                     | 2015                                 | Q4 2017                         |
| Revenue (Q2 2017)                                      | RM10 million             | RM10 million                         | N/A                             |
| Operating Profit<br>before Interest &<br>Tax (Q2 2017) | RM2 million              | RM7.9 million                        | N/A                             |
| WCT Ownership  | 100%                     | 70%                                  | 70%                             |
| No. of Rooms   | 250                      | N/A                                  | 300                             |



# De-gearing Initiatives

## De-Gearing Initiatives

|   |  |
|---|--|
| <b>Equity Fund Raising<br/>(up to RM500 mil)</b>                | <ul style="list-style-type: none"> <li>WCT successfully placed out 100 mil new shares in April 2017 to raise RM178 mil proceeds.</li> <li>Target to issue balance 25 mil shares to raise RM50 mil proceeds by second half of 2017.</li> <li>Target to receive RM280 million from exercise of WCT-WD by Dec 2017. YTD WCT received RM72.3 million from the exercise of WCT-WD.</li> </ul> |
| <b>Monetisation of Investment Assets<br/>(up to RM400 mil)</b>  | <ul style="list-style-type: none"> <li>Proposed establishment of WCT REIT comprising Paradigm PJ, AEON Mall and Premiere Hotel with market value of up to RM1.1 bil to raise up to RM400mil proceeds by second quarter of 2018.</li> </ul>   |
| <b>Sales of Unsold Property Units<br/>(up to RM500 million)</b> | <ul style="list-style-type: none"> <li>Target to achieve up to RM500 mil new sales from existing unsold property stocks by mid 2018.</li> </ul>  |
| <b>Idle Land Disposals<br/>(up to RM300 million)</b>            | <ul style="list-style-type: none"> <li>Target to dispose of idle land bank with lesser potential for immediate development, comprising land bank in Sungai Buaya.</li> </ul>   |
| <b>Re-financing short term loans to longer tenure loans</b>     | <ul style="list-style-type: none"> <li>Target to re-finance short term loans &amp; sukuk due in 2018 into longer tenure loans/sukuk to reduce refinancing risks and improve short term cash flows.</li> </ul>  |



# Thank You

